

# SCE&G CO2 Emissions



Note: Reflects emissions as filed February 2014 in the 2014 Integrated Resource Plan.



June 2014

# Incremental New Nuclear Acquisition

- Incremental ownership added to rate base over three years after Unit 2 is operational
- Purchase funded by free cash flows from depreciation of the new units
- No change under the Base Load Review Act mechanism
- Agreement provides that Santee Cooper will not transfer any of its remaining ownership interest in the two new units until both have been completed

Timing	Incremental Percentage	Current Cost Estimate	Unit 2 & 3 Ownership	MWs*
Commercial Operation Date of First New Nuclear Unit	+1%	\$100 million	56%	+22 MWs
1 <sup>st</sup> Anniversary of Commercial Operation Date	+2%	\$200 million	58%	+44 MWs
2 <sup>nd</sup> Anniversary of Commercial Operation Date	+2%	\$200 million	60%	+44MWs
<b>Total</b>	<b>+5%</b>	<b>\$500 million</b>	<b>60%</b>	<b>+110 MWs</b>



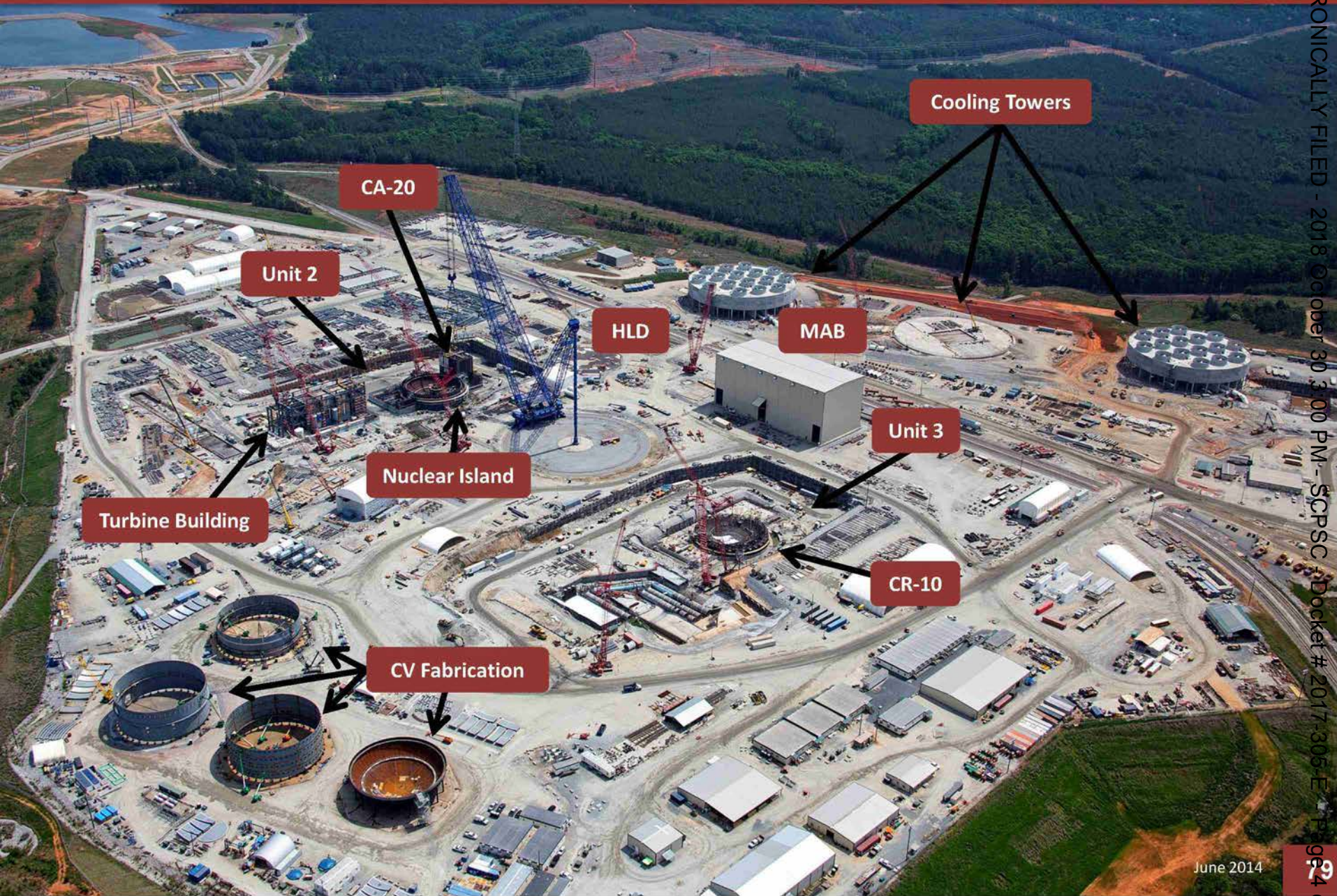
\* One-half of MWs are not available until Commercial Operation Date of Unit 3

June 2014

# What We Have Accomplished Since Last June

- Set Unit 2 CA20
- Set Unit 2 CV Ring 1
- Set Unit 2 condenser sections
- Set Unit 2 CA04 – reactor vessel cavity
- Cooling Towers 2A & 3A structurally complete
- Poured Unit 3 basemat
- Completed Unit 3 CR10
- Placed Unit 3 CV lower bowl
- Received multiple major components

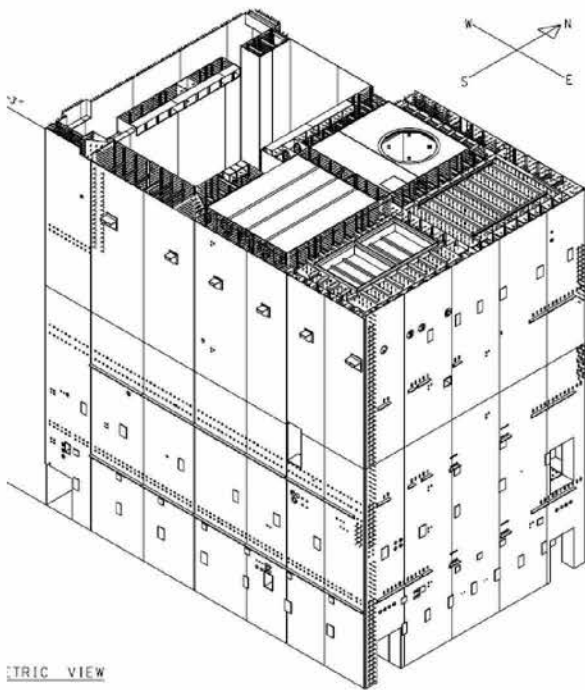
# NND Site Aerial View



June 2014

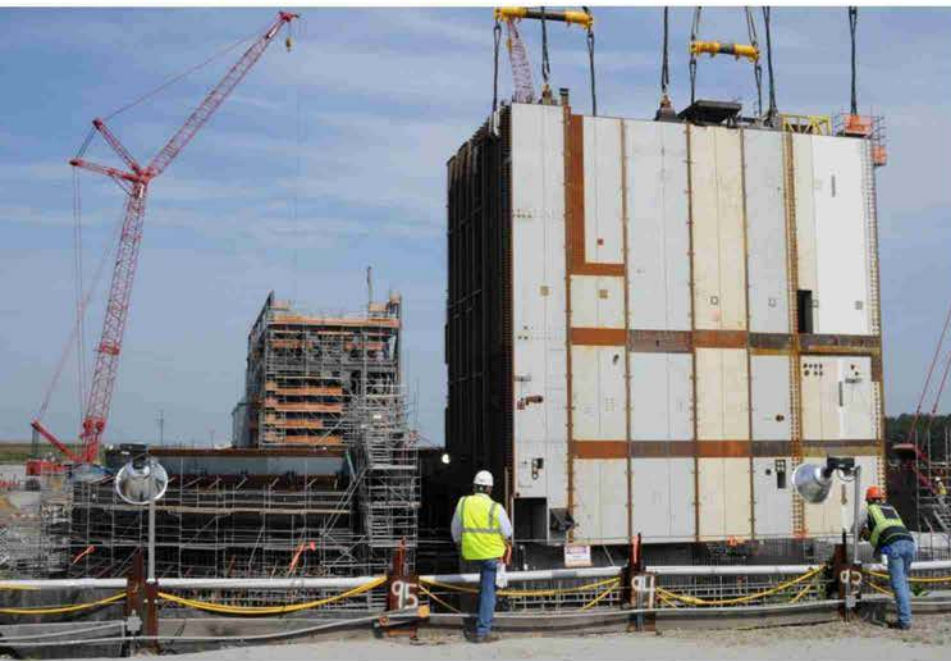
# Unit 2 Module CA-20

- Module CA-20 is the Auxiliary Building and Fuel Handling area
- Set in May 2014



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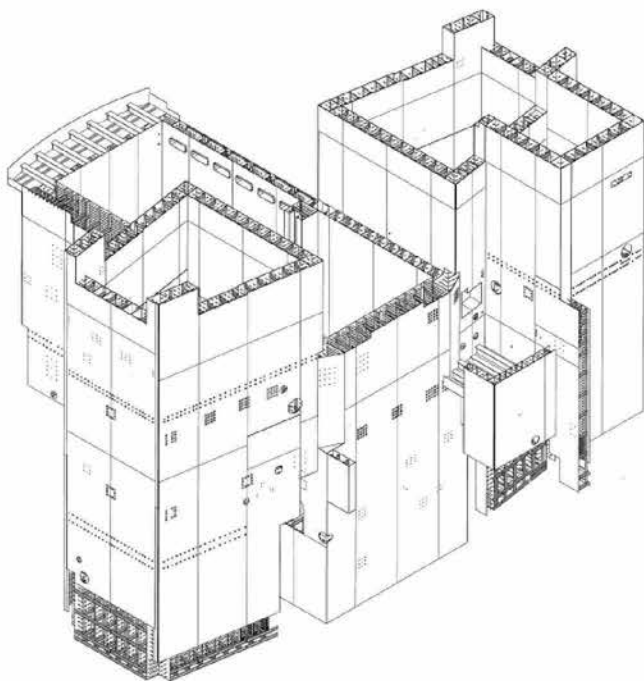
# Placement of Unit 2 Module CA-20



# Placement of Unit 2 Module CA-20

# Unit 2 Module CA-01

- Module CA-01 is the steam generator and refueling canal module placed in the containment vessel at Sanmen Unit 1

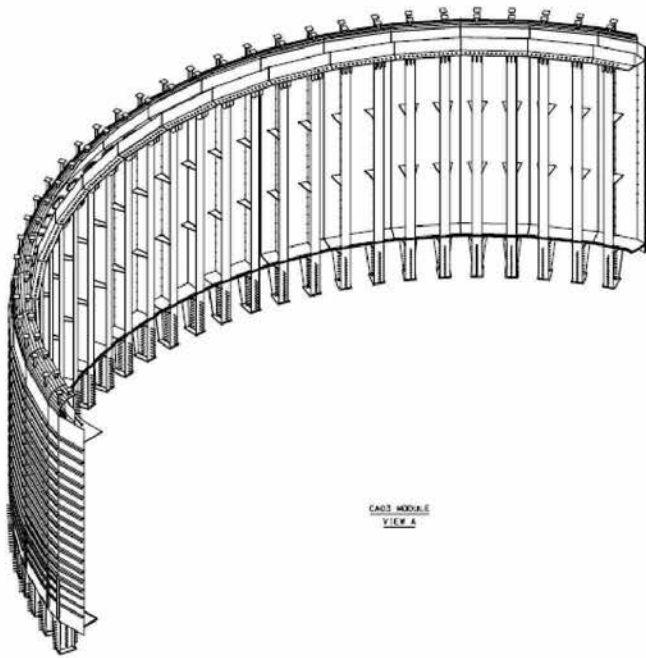


Provided by Westinghouse

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## Unit 2 Module CA-03

- Module CA-03 is the southwest wall module of the containment refueling water storage tank inside of the containment building



# Unit 2 Nuclear Island

Placement of the Module CR-10



Placement of the Containment Vessel Bottom Head



Formation of Nuclear Island Walls



Inside Unit 2 CV



# Placement of Unit 2 Containment Vessel Ring 1



# Placement of Unit 2 Containment Vessel Ring 1

ELECTR  
69

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# Unit 3 Nuclear Island

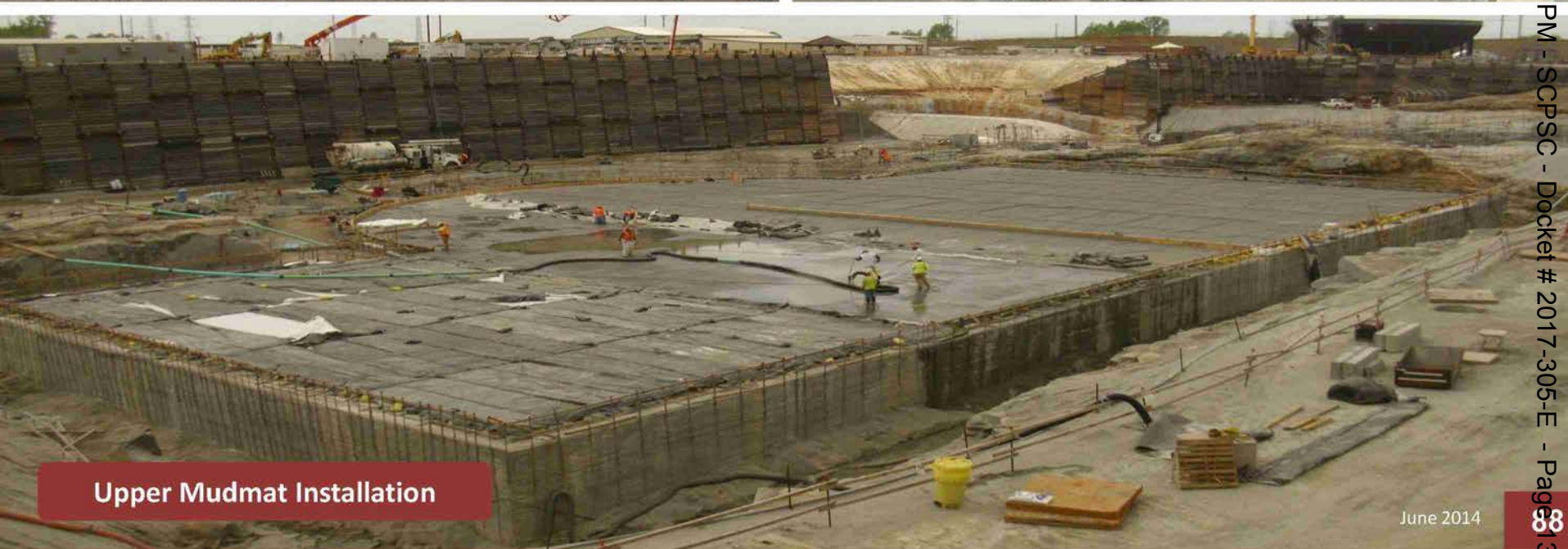
Excavation



Leveling Concrete



Upper Mudmat Installation



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# Unit 3 Nuclear Island

1<sup>st</sup> Nuclear Concrete Pour



1<sup>st</sup> Nuclear Concrete Pour



Module CR-10 Complete



Post 1<sup>st</sup> Nuclear Concrete Pour



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# Placement of Unit 3 Containment Vessel Bottom Head



# Placement of Unit 3 Containment Vessel Bottom Head

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# Containment Vessel

**Unit 2**

**Unit 3**

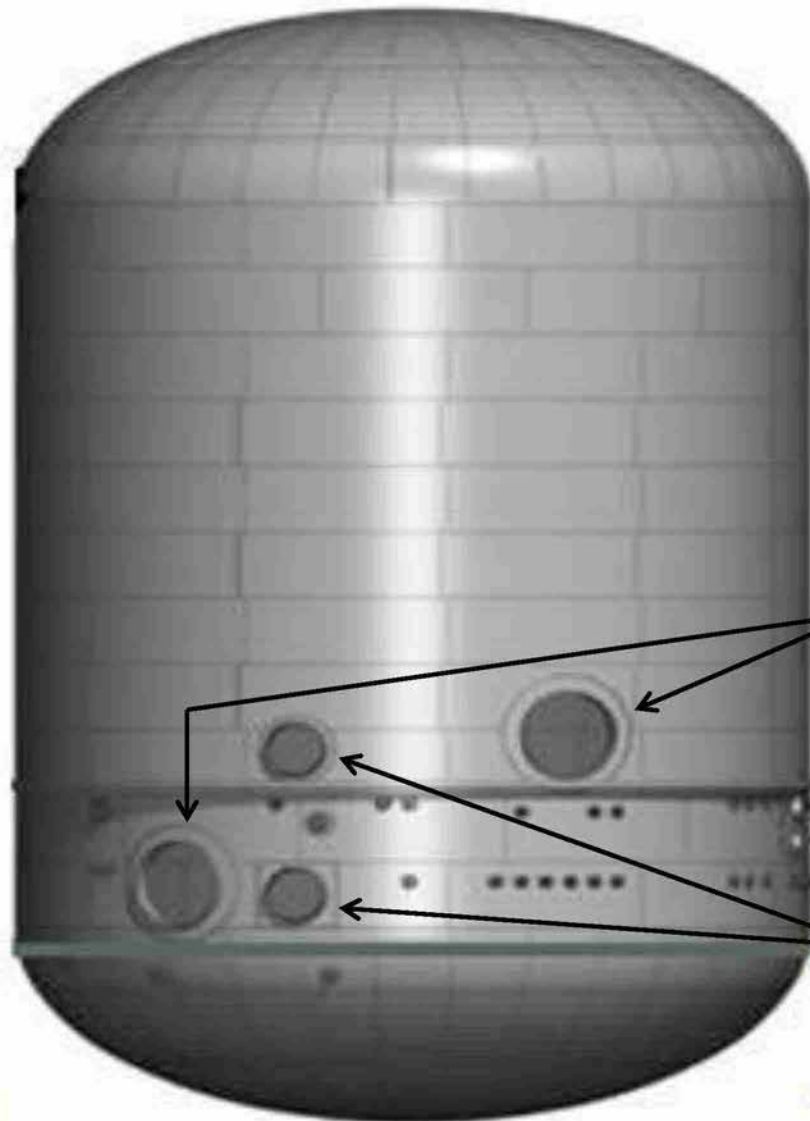
Top Head

Ring 3

Ring 2

✓ Ring 1

✓ Bottom Head ✓



Equipment  
Hatches (2)

Personnel  
Airlocks (2)

# Low Profile Cooling Towers

Cooling Tower 2A



Cooling Tower 3A



# Unit 2 CA-04 Reactor Vessel Cavity Lift

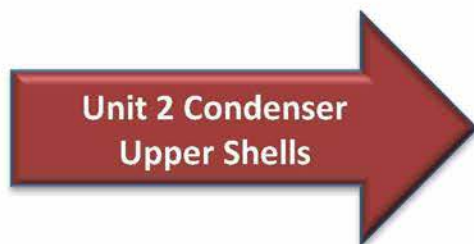


# Unit 2 Turbine Building



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# Unit 2 Condenser



# Unit 2 Turbine Island Lifts

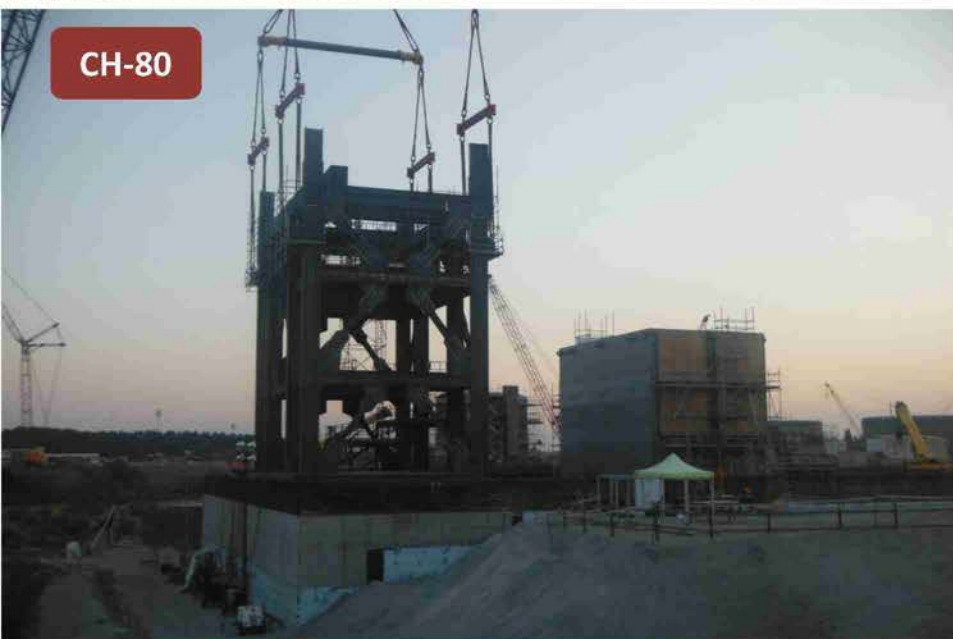
Condenser B Lower



Condenser C Upper

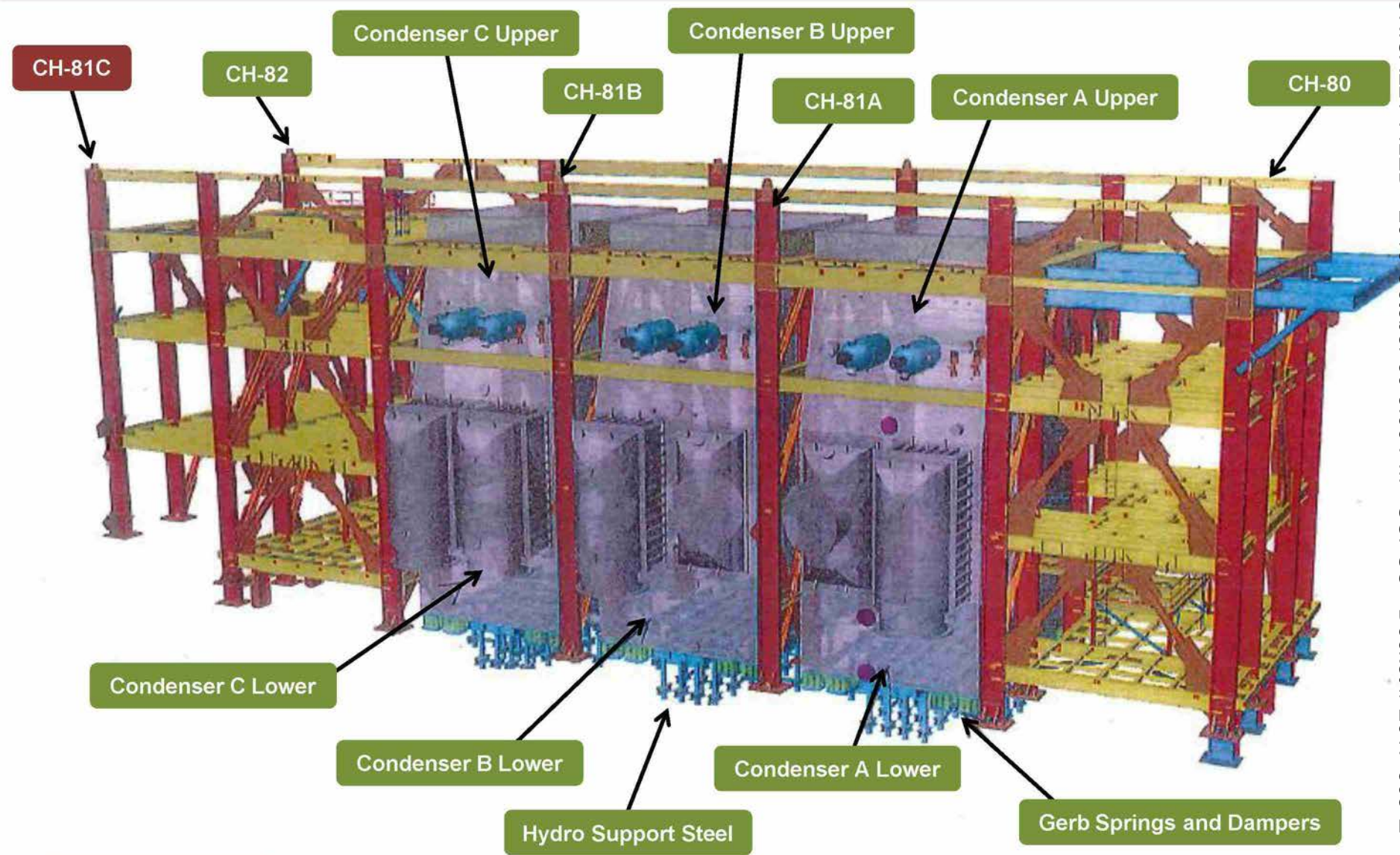


CH-80

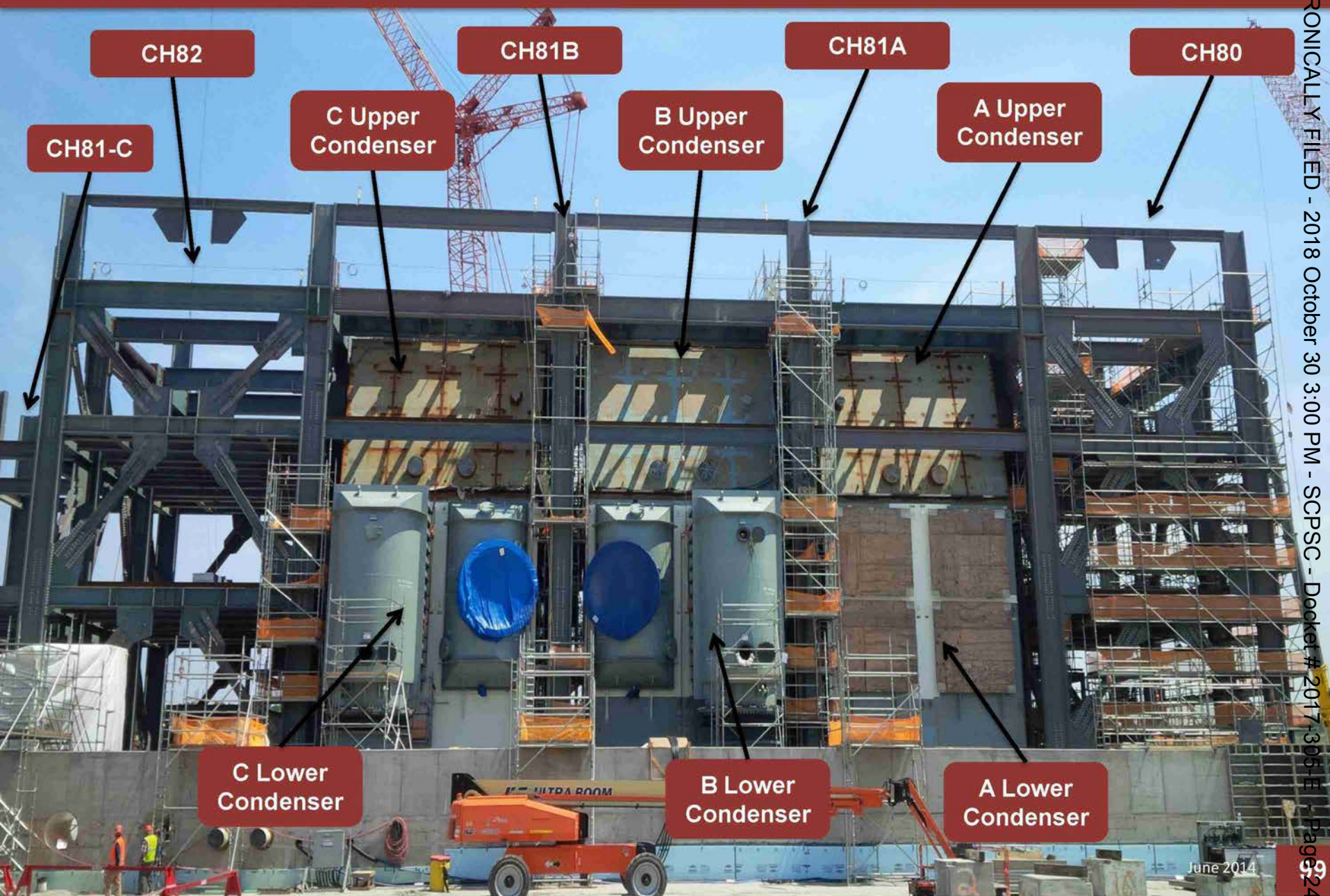


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# Turbine Building Layout



# Unit 2 Turbine Building



# Components Arriving on Site

Unit 2 Reactor Vessel



Unit 2 Auxiliary Transformers



Unit 2 Moisture Separator Reheater



Unit 2 Diesel Generators



# More Components Arriving on Site

Unit 2 Deaerator



Unit 2 Accumulator Tanks



Unit 2 Low Pressure Rotors



Unit 2 Core Makeup Tank



# Even More Components Arriving on Site

Unit 2 Generator  
Stator



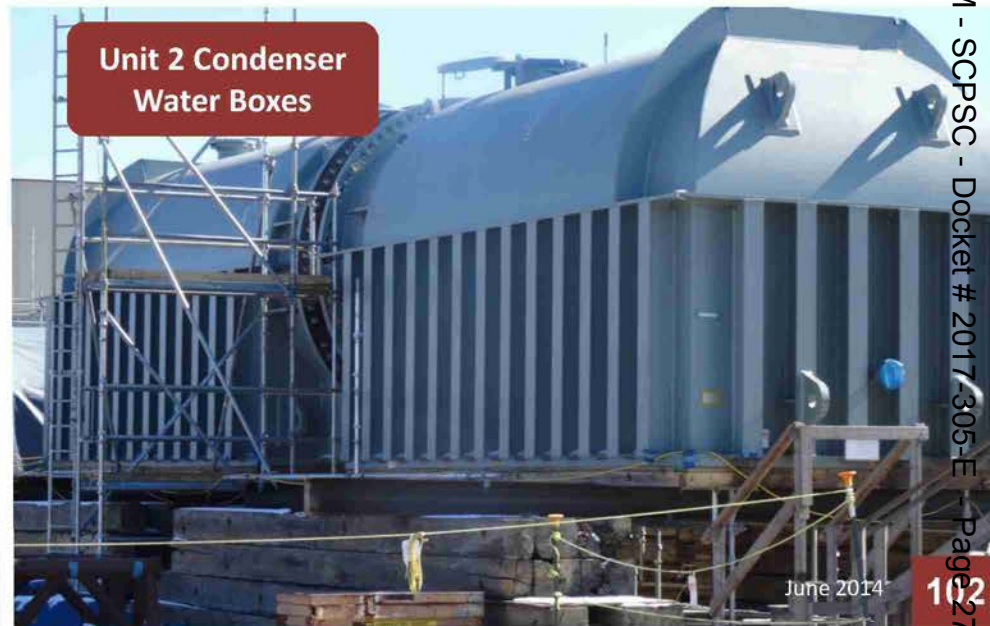
U2 Main  
Transformer



Containment  
Vessel Plate Steel



Unit 2 Condenser  
Water Boxes



# VC Summer 2 & 3 – Suppliers



# VCS Unit 2 Core Barrel



- Fabricated by Toshiba in Japan

- Original plan was to fabricate at Newington, NH

June 2014

# Analyst Day New Nuclear Tour

**SCANA will be hosting an Analyst Day New Nuclear Tour on October 2, 2014.**

**If you would like to attend and did not specify your interest during the registration of this event please contact someone from the Investor Relations Group.**

**Details to follow**







## Analyst Day 2014



## Gas Organization Update

| Rusty Harris – Senior VP Gas Operations

June 2014

# Gas Distribution Overview

## PSNC Energy

### Service Territory:

- 512,000 customers
- 12,000 square miles
- 28 franchised counties
- 96 cities

### Asset Base:

- 606 miles of transmission pipeline
- 10,201 miles distribution main
- 1 LNG facility
- No cast iron distribution main

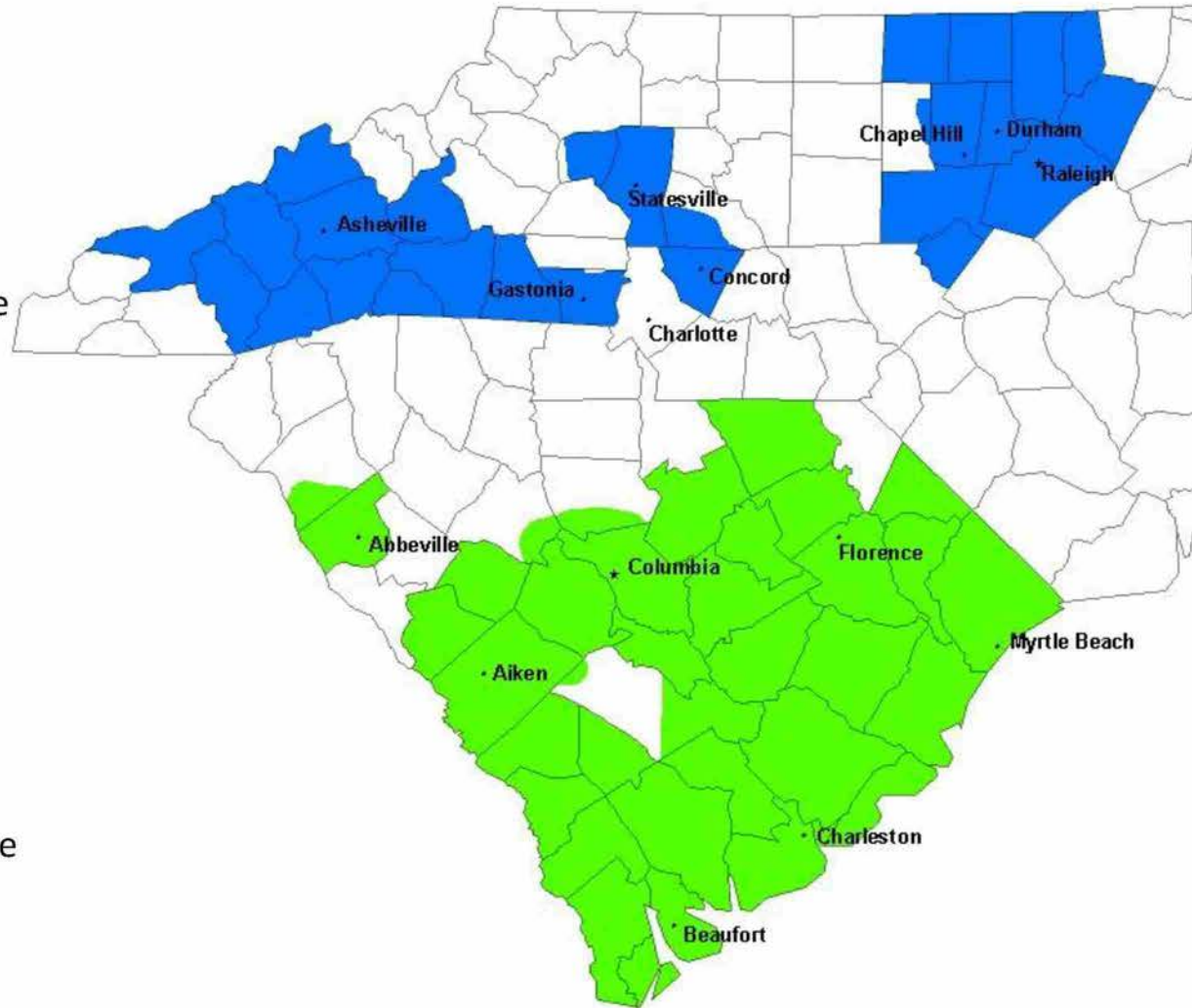
## SCE&G

### Service Territory:

- 332,000 customers
- 22,600 Square Miles
- 35 franchised counties

### Asset Base:

- 448 miles of transmission pipeline
- 8,661 miles distribution main
- 2 LNG facilities
- No cast iron main



## PSNC Energy – Customer Usage Tracker

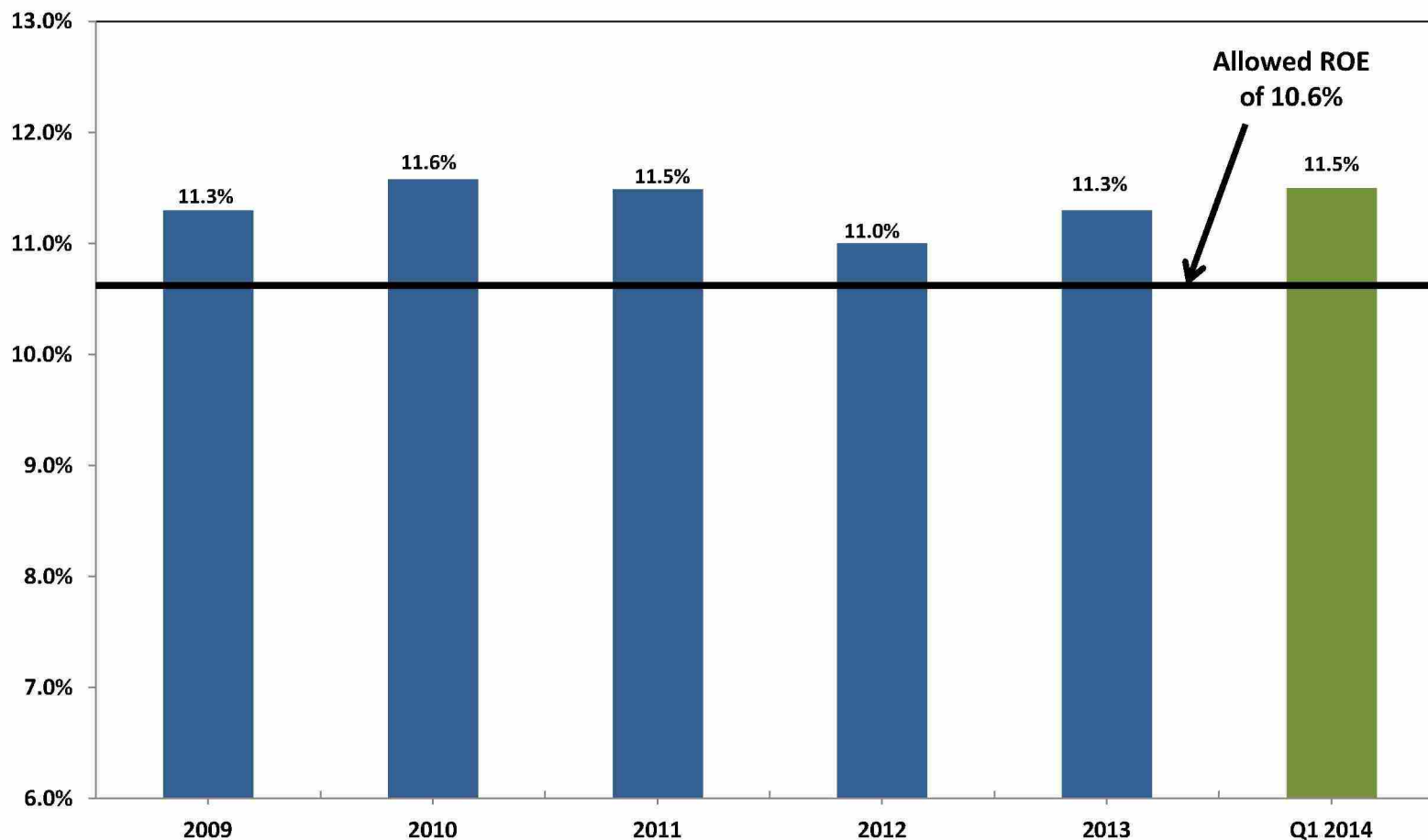
- Mitigates any variance in consumption
- Includes a per customer true up with actual margins with 2008 rate case

## SCE&G – Rate Stabilization Act

- Adjusts rates to reset ROE to 2005 rate case ROE of 10.25%
- Rates are adjusted annually when actual ROE is +/- 50 bps of 10.25%

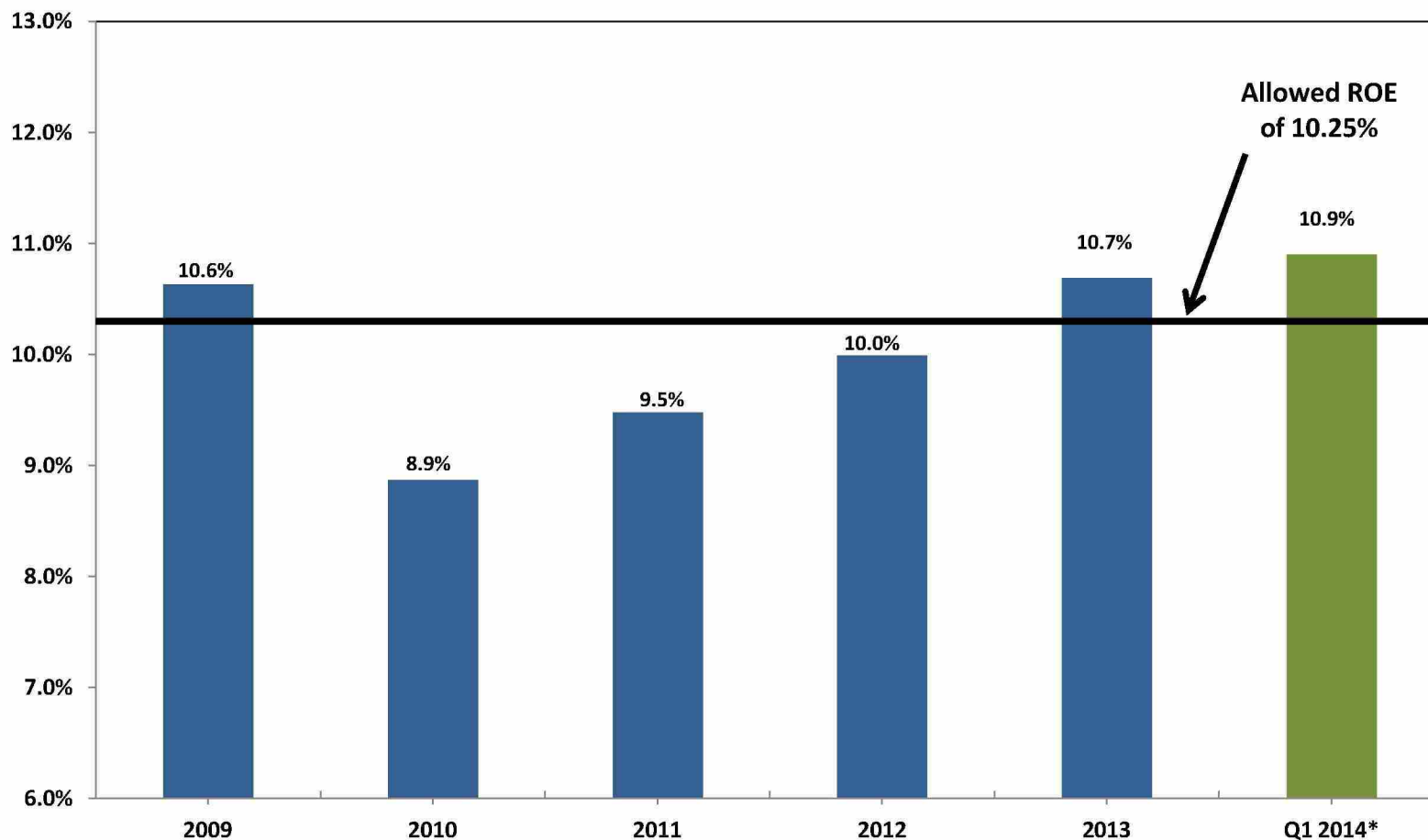
# Current Return on Equity

## PSNC Energy



# Current Return on Equity

## SCE&G Gas

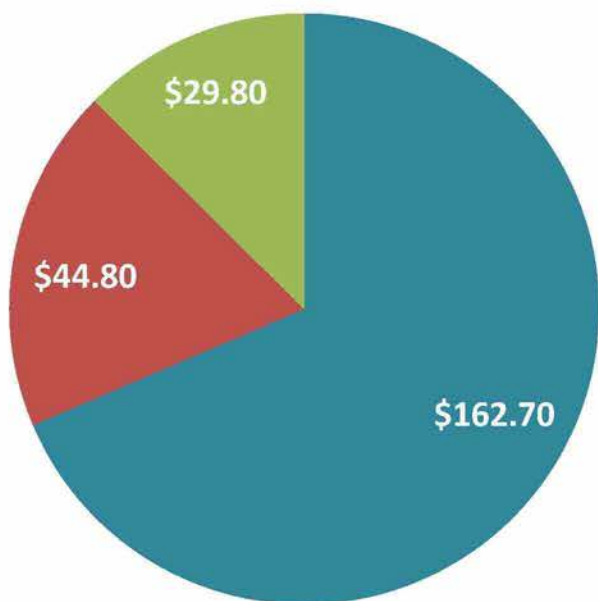


\* Preliminary Q1 2014 ROE for SCE&G Gas



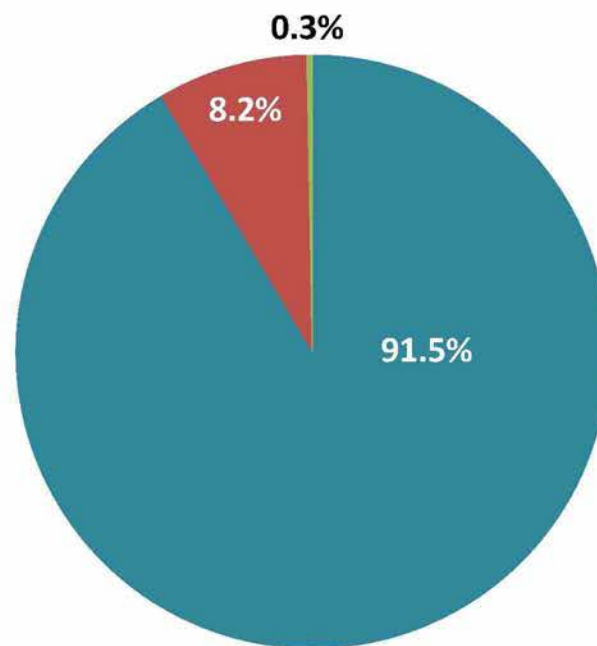
# PSNC Energy Overview

**PSNC Energy  
2013 Margin Summary**  
(Represented in Millions)



■ Residential  
■ Commercial  
■ Industrial & Other

**PSNC Energy  
Customer Base**  
(as of April 2014)

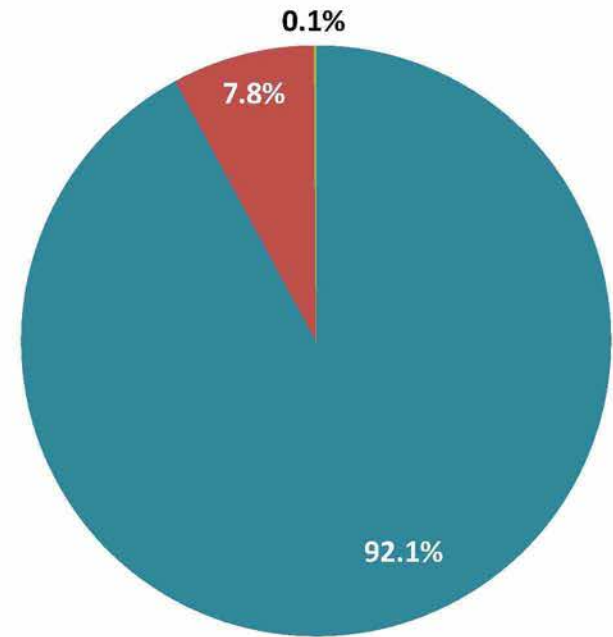


# SCE&G Gas Operations Overview

**SCE&G Gas Operations  
2013 Margin Summary**  
(Represented in Millions)

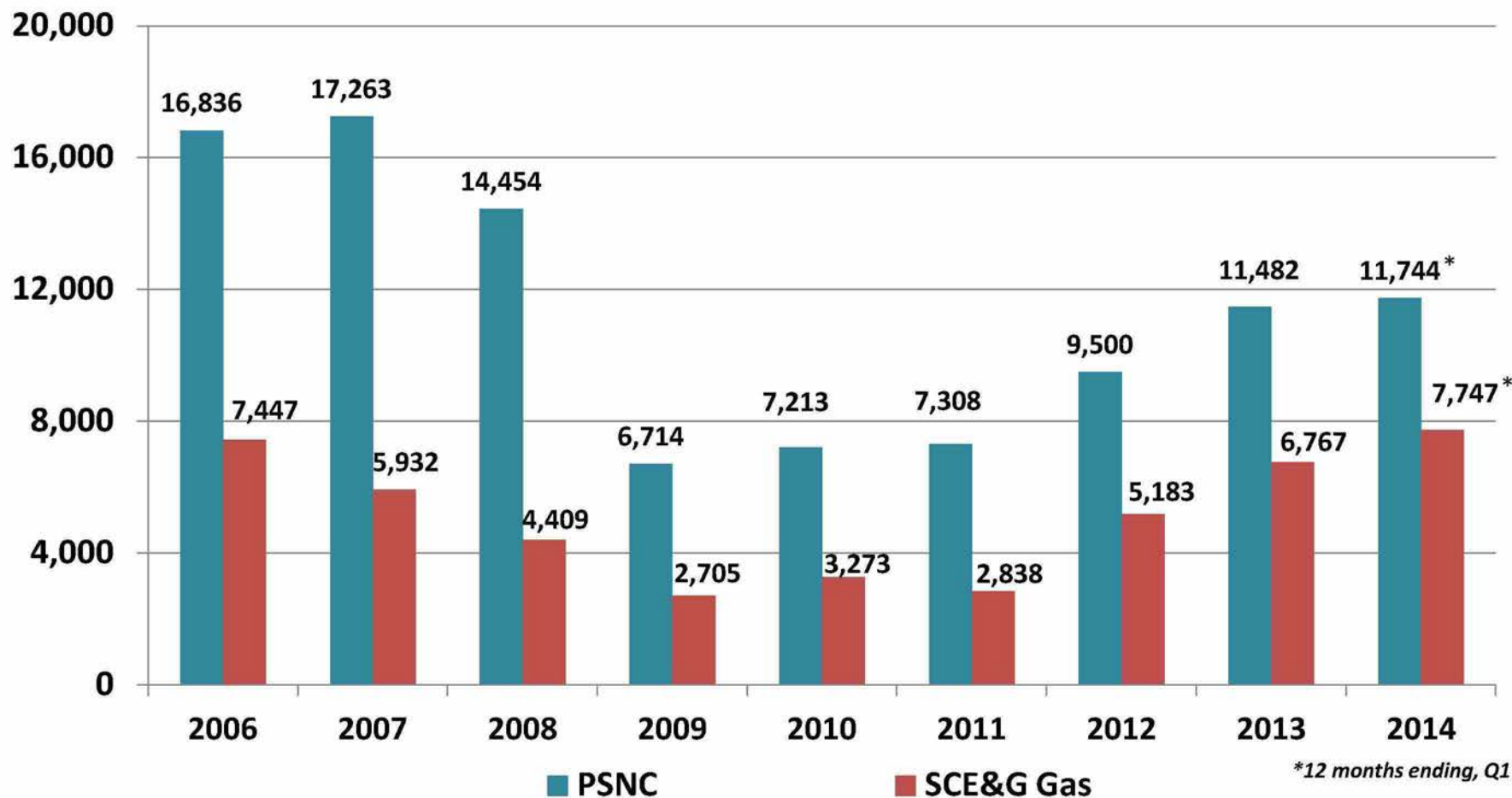


**SCE&G Gas Operations  
Customer Base**  
(as of April 2014)



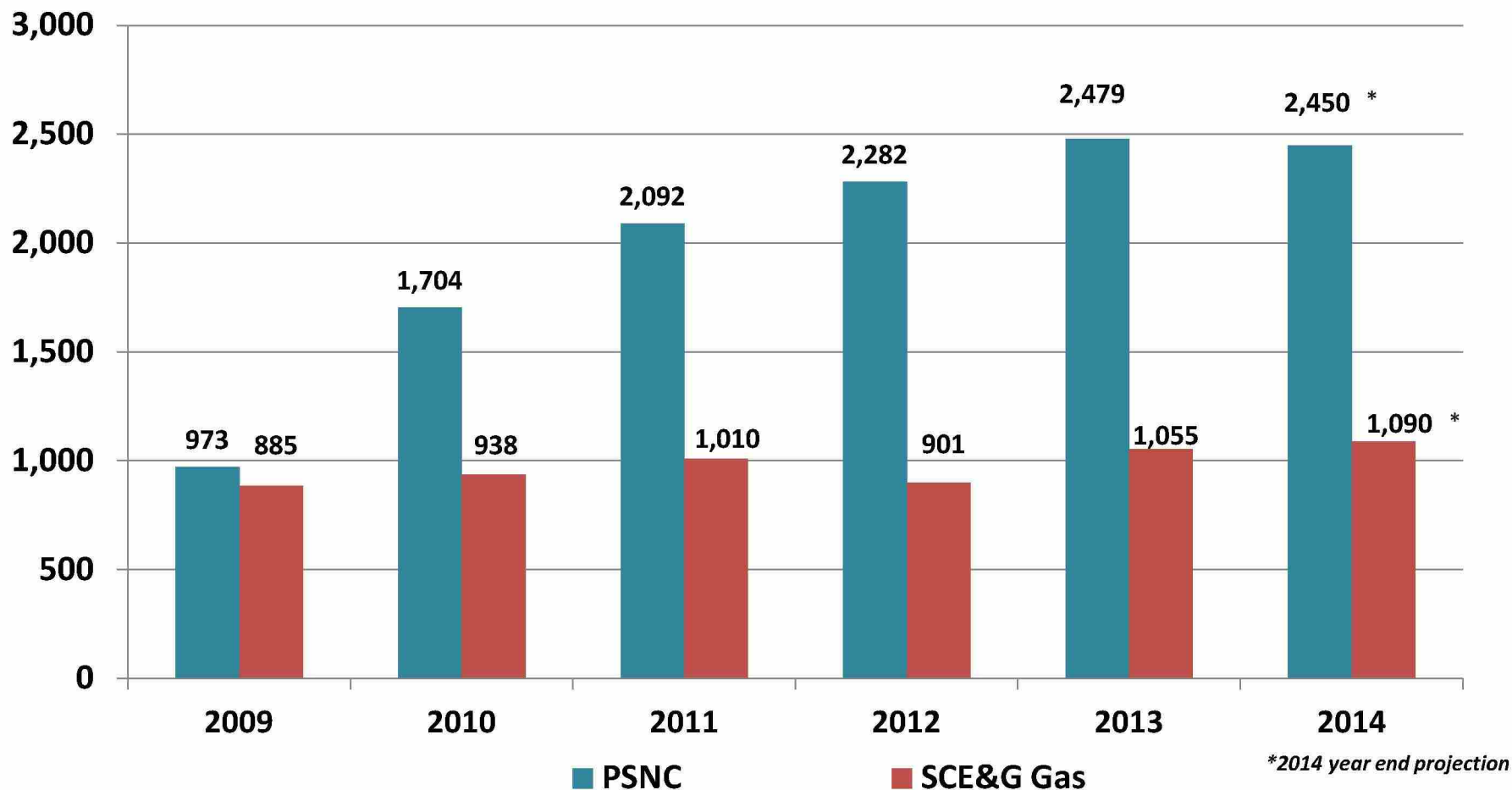
# PSNC Energy and SCE&G – Growth Overview

## Total Net Gas Customer Growth

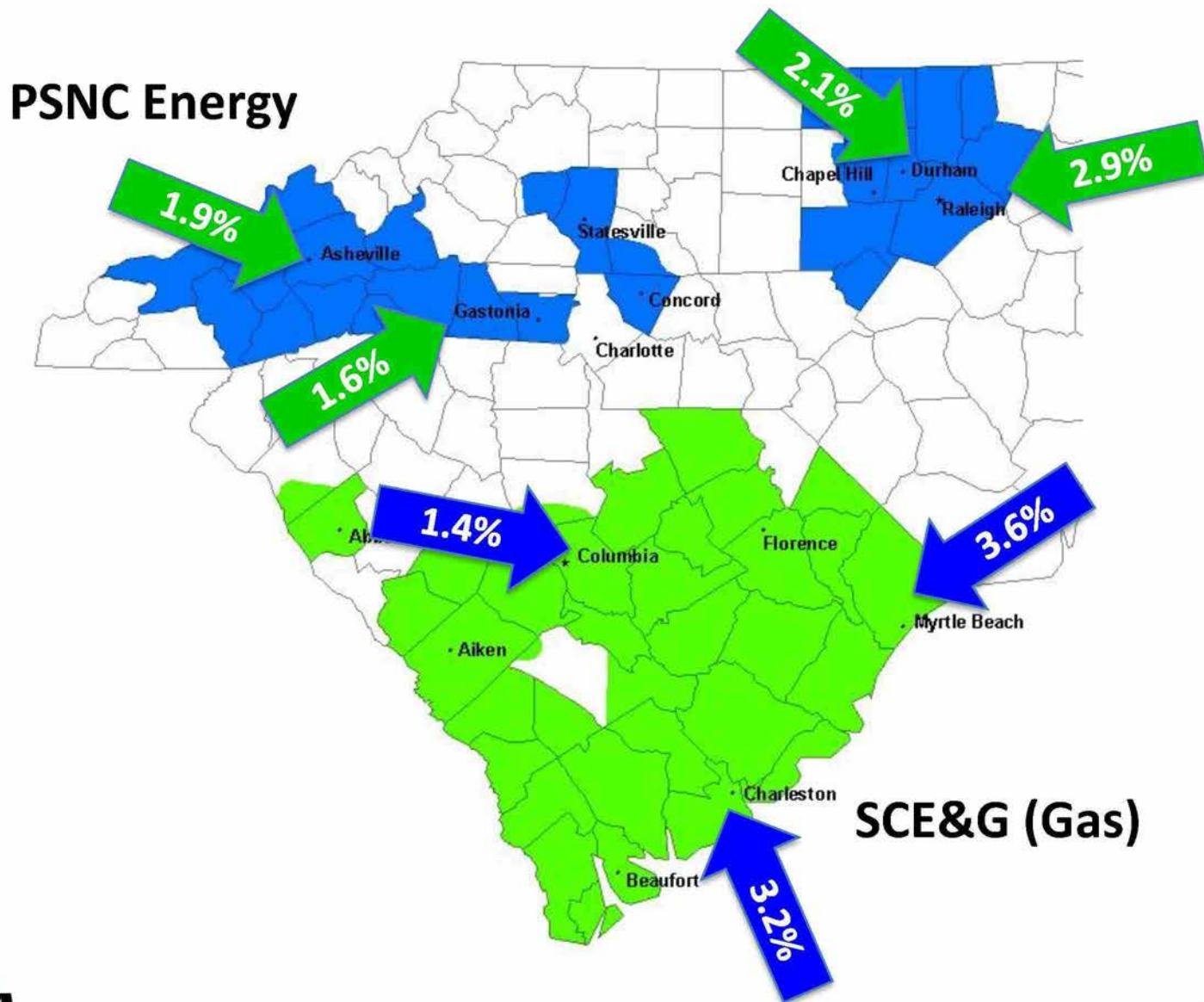


# PSNC Energy and SCE&G – Growth Overview

## Total Conversions



# Gas Distribution – Areas With Steady Growth



# Projected U.S. Population Growth Corridors

## REAL ESTATE STRATEGY: GEOGRAPHIC FOCUS



Source: Woods & Poole

**Over the next 20 years, 43% of U.S. population growth will be concentrated in 10 strategic growth corridors**

## Capital investment in pipeline assets

- Retrofit high priority pipelines for inline inspections
- Upgrade and extend pipelines to increase capacity and ensure reliability

## Why now

- Climate of increasing expectations for pipeline safety
- Financing costs are low
- Competitive price of natural gas

# PSNC Energy – Construction Overview

20-inch Transmission Line, Cleveland County, NC



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# PSNC Energy – System Overview



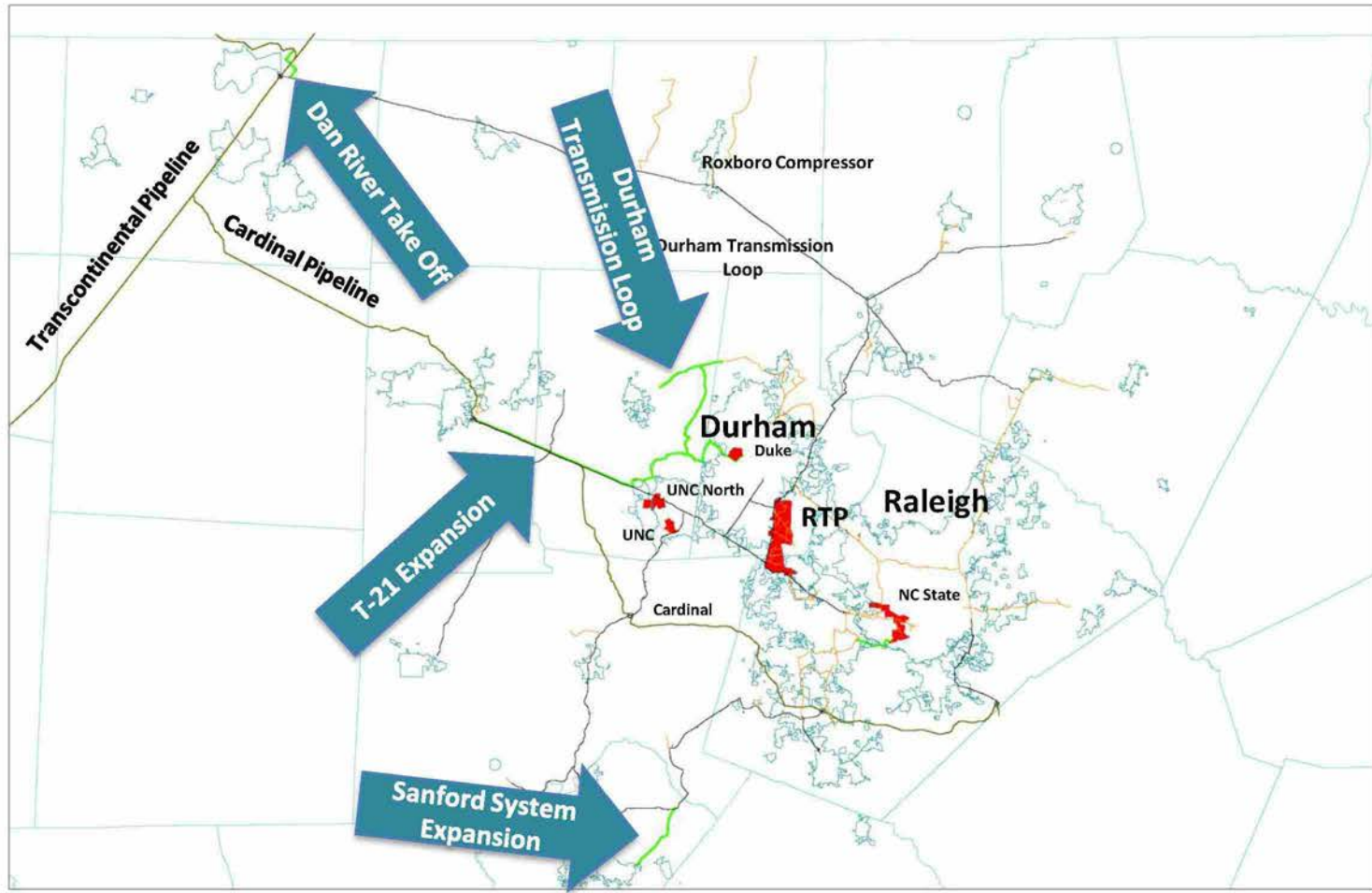
12-inch In-line Inspection Tool

Natural Gas Compressor Station

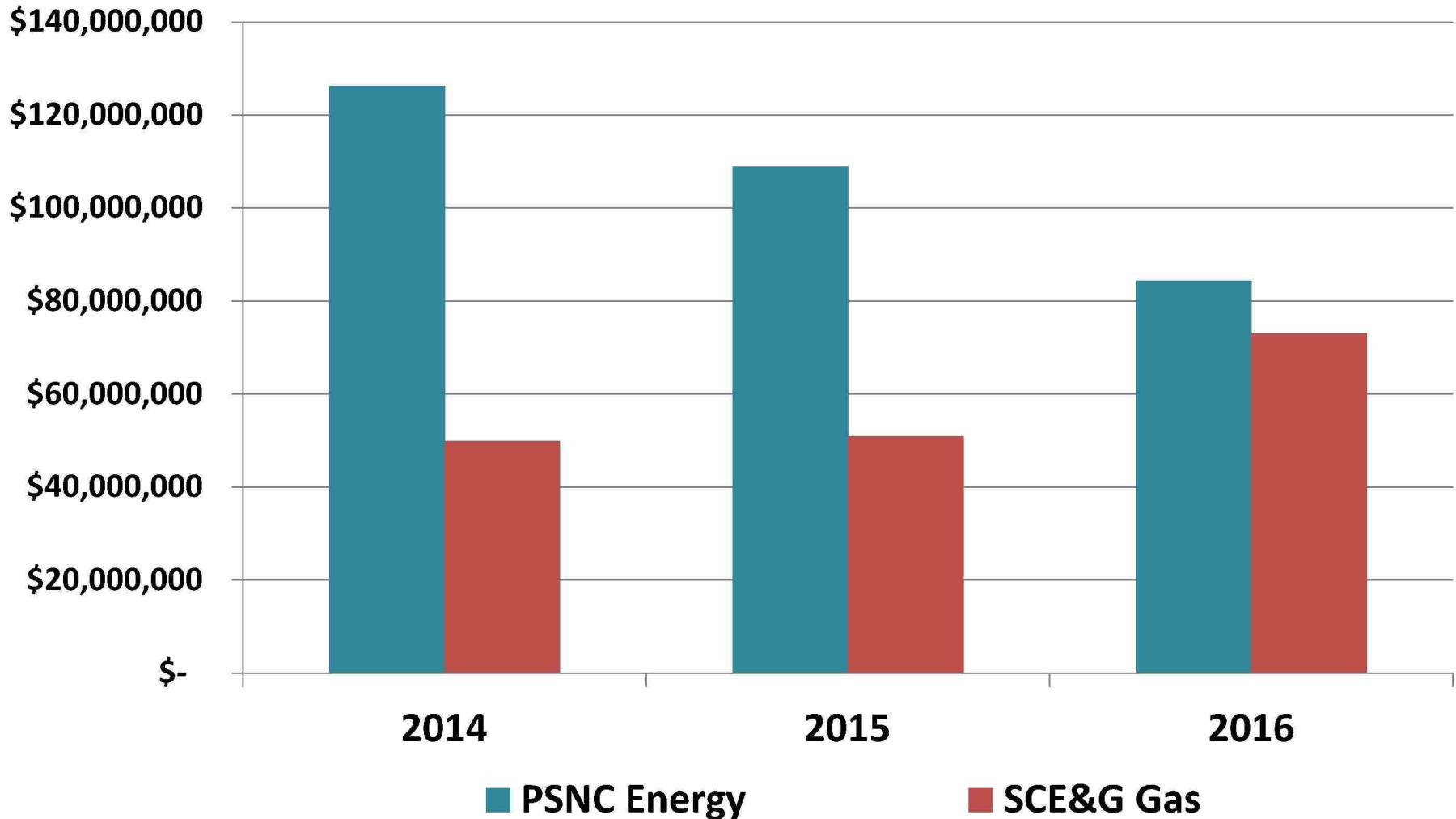


# PSNC Energy – Construction Overview

## System Upgrades and Expansions in Raleigh-Durham Area (Triangle)



# Projected Capital Expenditures



# Operational Highlights

## Safety

- Top quartile in safety in Southern Gas Association rankings

## Customer Service

- Award-winning customer service

## Pipeline Safety

- Strong compliance record



# Emerging Trends for Natural Gas

## CNG & NGVs

- Growing demand and increased supply

## Increased new home construction

- New services added
  - Up 14% for PSNC Energy
  - Up 18% for SCE&G

## Growing interest in firm service for large users

- Interest driven by electric power generators and other large industrial producers







## Analyst Day 2014



## Financial Update & The Economy

| Jimmy Addison – Chief Financial Officer

June 2014

# NND Positive Developments

	Q1 2010	Q1 2014	Positioning
COL received	-	✓	✓
EPC settlement included in BLRA	-	✓	✓
First nuclear concrete for Units 2 & 3	-	✓	✓
Construction Stage	Awaiting COL Approval	Placement of Critical Item Unit 2 CA-20**	✓
CWIP invested (\$bn)	\$0.6	\$2.5	✓
Average BLRA rate increase	2.49%	2.15%	✓
# of BLRA rate increases	2	6	✓
Projected capital cost (\$bn)	\$6.9	\$5.6	✓
Santee sell-down*	-	✓	✓



\* Incremental 5% ownership added over three years beginning with commercial operation of Unit 2

\*\* Reported in Q1 2014 BLRA Report

June 2014

# Positive Developments

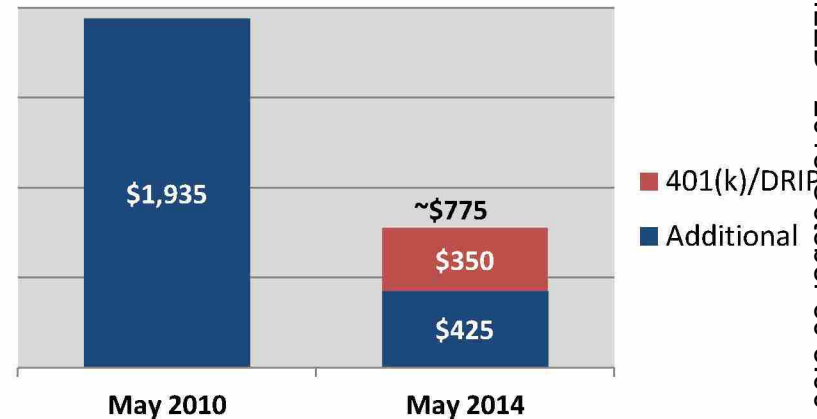
## Valuation

Share Price\*



\*Source: Bloomberg as of 05/28/2010 and 05/28/2014

Remaining Equity Issuances

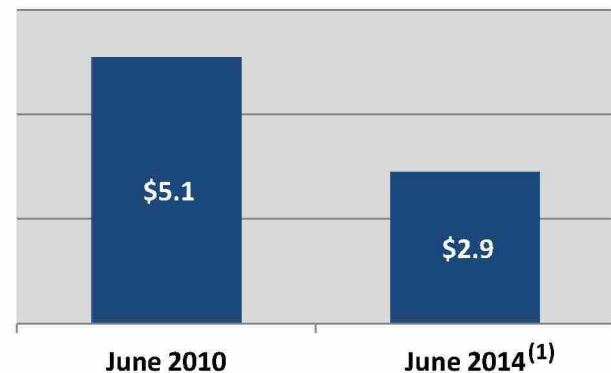


## Financing

Credit Facility (\$bn)



Remaining NND CWIP (\$bn)



(1) Based on Q1 2014 BLRA Filing

# CAPEX Estimated

(\$ in Millions)	2014E	2015E	2016E	TOTAL
<b>SCE&amp;G - Normal</b>				
Generation	\$ 136	\$ 145	\$ 112	\$ 393
Transmission & Distribution	230	280	258	768
Other	14	25	19	58
Gas	50	51	73	174
Common	9	7	10	26
Total SCE&G - Normal	439	508	472	1,419
PSNC Energy	128	111	87	326
Other	79	58	42	179
Total "Normal"	646	677	601	1,924
New Nuclear	805	930	696	2,431
Cash Requirements for Construction	1,451	1,607	1,297	4,355
Nuclear Fuel	67	30	147	244
<b>Total Estimated Capital Expenditures</b>	<b>\$ 1,518</b>	<b>\$ 1,637</b>	<b>\$ 1,444</b>	<b>\$ 4,599</b>

Note: Reflects new nuclear capex as filed May 2014 in BLRA Quarterly Report

(\$ in Millions)	2014E	2015E	2016E	2017E	2018E
Incremental New Nuclear CWIP as of 6/30	\$595	\$1,003	\$922	\$565	\$435

Note: Reflects new nuclear capex from July 1 through June 30

# Financing Plan Estimated

(\$ in Millions)	2014E	2015E	2016E	2017E – 2018E
<b>Debt</b>				
Refinancings:				
SCANA	\$ -	\$ -	\$ -	\$ -
SCE&G	-	-	-	550
New Issues:				
SCE&G	600 ▲	650	350	-
<b>Total Debt</b>	<b>\$ 600</b>	<b>\$ 650</b>	<b>\$ 350</b>	<b>\$ 550</b>
<b>Equity</b>				
401(k)/DRIP	\$ 100 ▲	\$ 100	\$ 100	\$ 100
Additional (estimated)	100	125	200	-
<b>Total Equity</b>	<b>\$ 200</b>	<b>\$ 225</b>	<b>\$ 300</b>	<b>\$ 100</b>

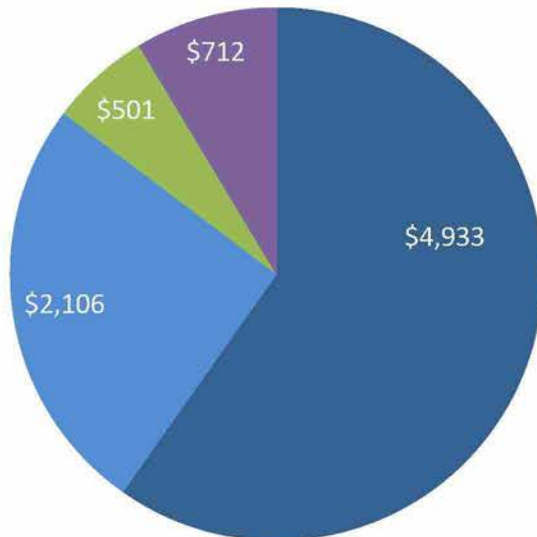
▲ ~50% complete - \$300 million of 50 year 4.5% bonds issued on May 27; \$50 million through 401(k)/DRIP  
 [ ] Remaining follow-on offerings for construction period and may change between years and/or in total



# Retail Rate Base & Returns

## Rate Base (millions)

(As of 3/31/2014)



- SCE&G Electric (Non NND)
- SCE&G Electric NND<sup>(1)</sup>
- SCE&G Gas
- PSNC<sup>(2)</sup>

Company	Regulatory Actual ROE	Regulatory Allowed ROE
SCE&G Electric (Non NND)	~10.10%	10.25%
SCE&G Electric NND	11.00%	11.00%
PSNC <sup>(2)</sup>	11.50%	10.60%
SCE&G Gas	~10.90%	10.25%

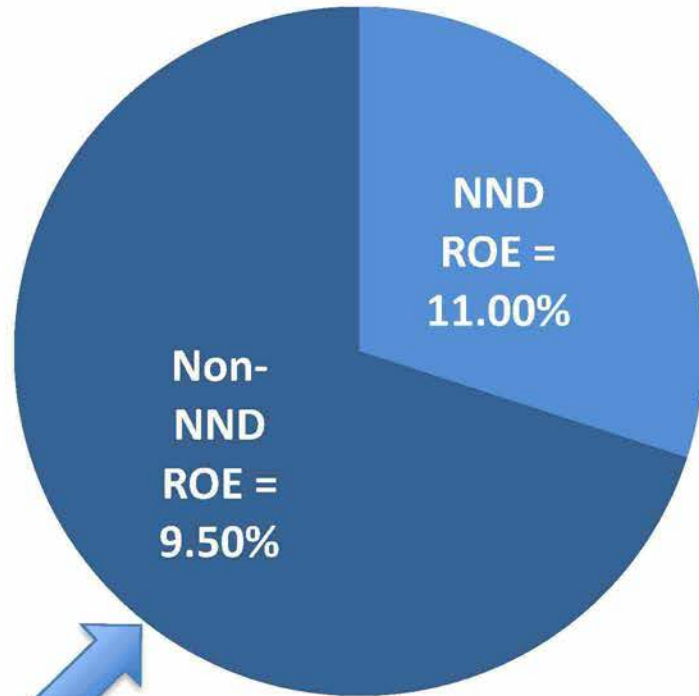
NND = New Nuclear Development

(1) Financing cost in rates

(2) As of 3/31/2014. Amounts represent per book returns & may not reflect NCUC's determinations of rate base, capitalization and/or ROE

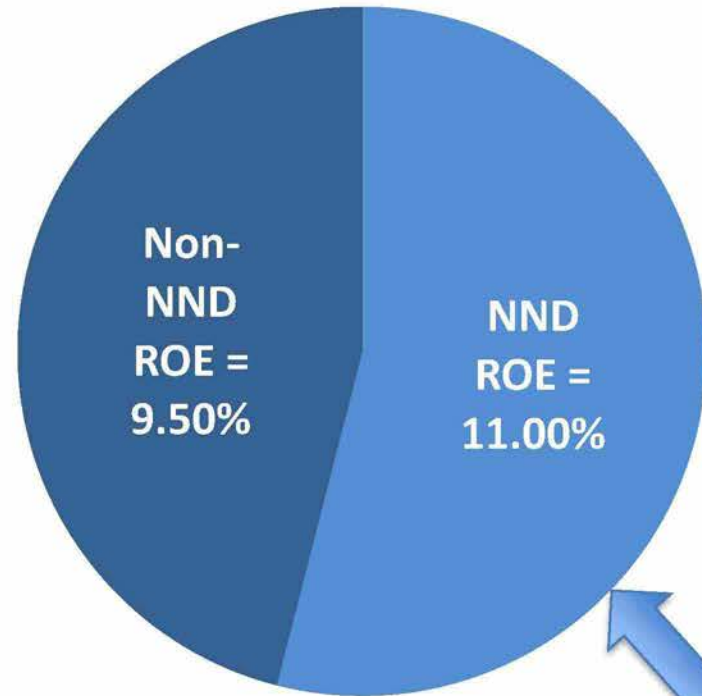
# Conceptual SCE&G Blended Electric ROE

2013 Electric Rate Base



Blended = ~9.95%

Conceptual Electric Rate Base  
Upon Plant Completion



Blended = ~10.34%

■ NND CWIP / Rate Base

■ Non-NND Rate Base at 12/31/2013

For illustration purposes only – Actual blended rates will change based on actual results.

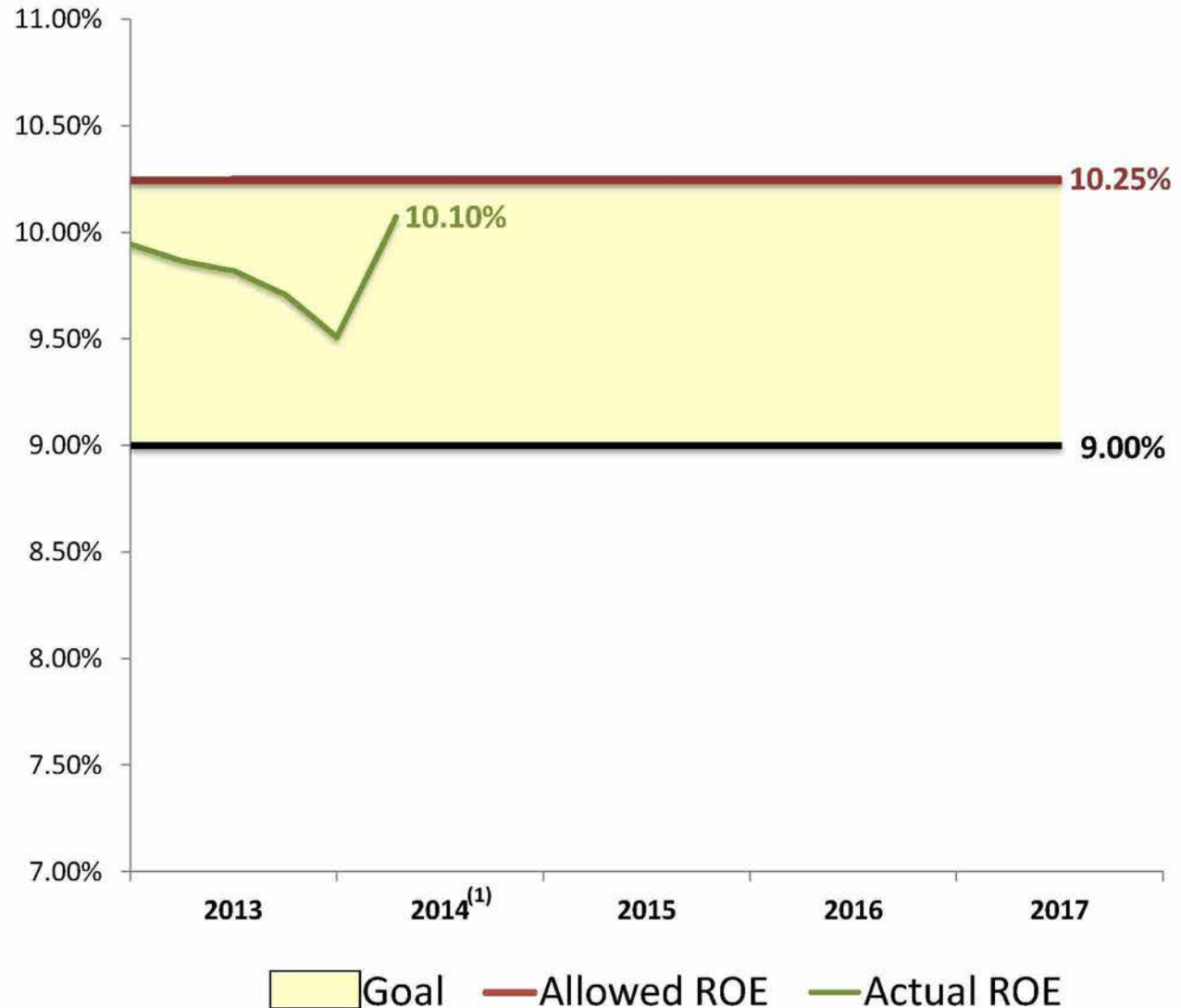
Conceptual Assumptions:

- NND ROE of 11.00%
- Non-NND ROE held constant as of 12/31/2013 = 9.50%
- NND Rate Base grows based on NND CWIP from May BLRA Quarterly Report
- Non-NND Rate Base held constant as of 12/31/2013 = \$4,901 million



# Regulatory ROE Goal – Base Electric Business

- Manage the business to avoid a base rate increase during peak nuclear construction
- Major factors:
  - Margin Growth
    - New customers
    - Average usage
    - Weather
  - O&M Cost Control
  - Capital



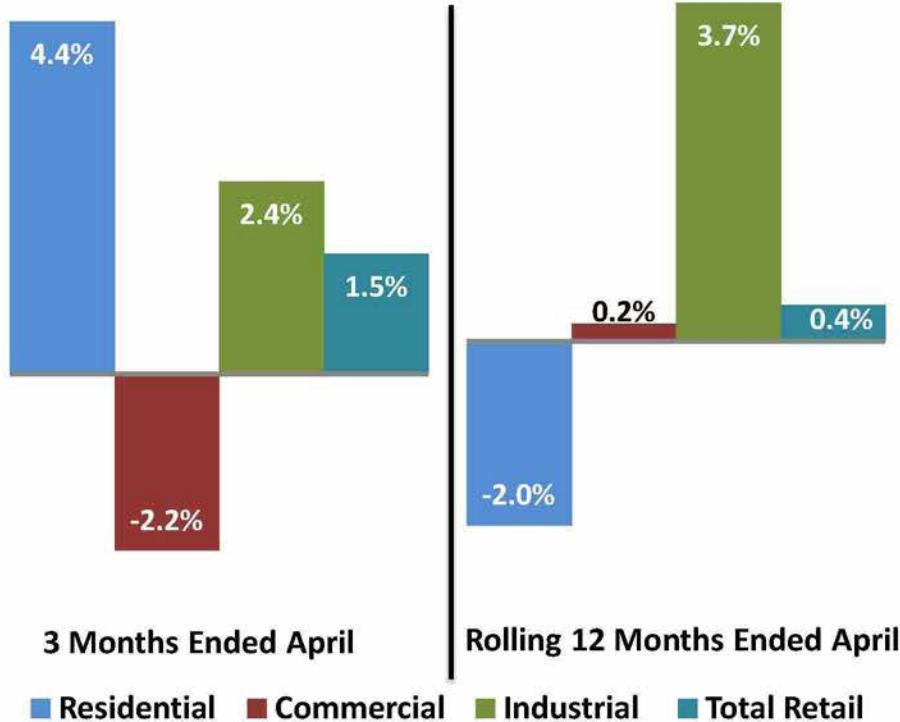
(1) - As of 3/31/14



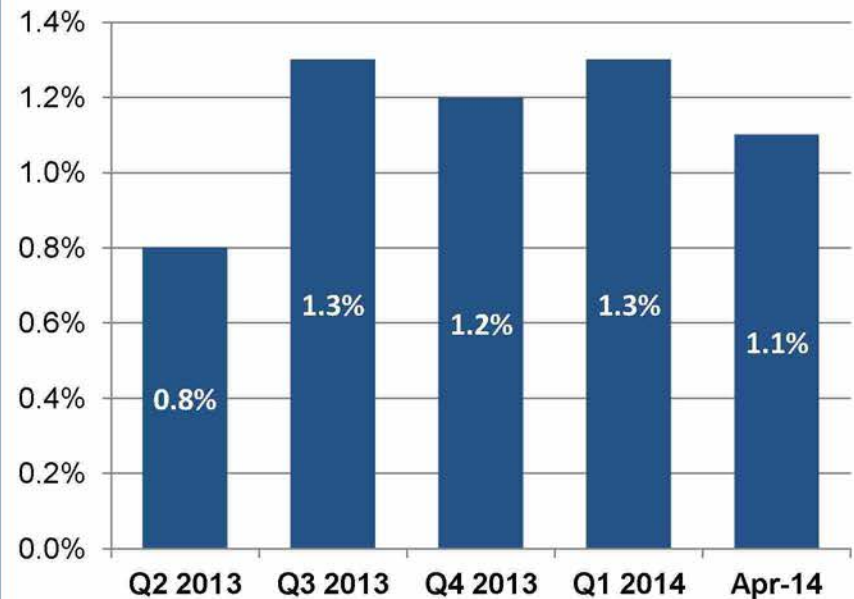
# SCE&G Electric

- SCE&G is engaged in the generation, transmission, distribution and sale of electricity to approximately 681,000 customers in 24 counties and covers 17,000 square miles
- Termination of Weather Normalization Adjustment (eWNA) pilot at end of 2013

**Weather Normalized Sales Volume Changes**



**Customer Growth**  
Year over Year Change



# SCE&G 1944 Annual Report Excerpt

*"Industry has discovered the South. Investors are interested in its possibilities. .... The management of your Company interprets these encouraging signs as an opportunity for aggressive leadership in the post war development of the territory served."*

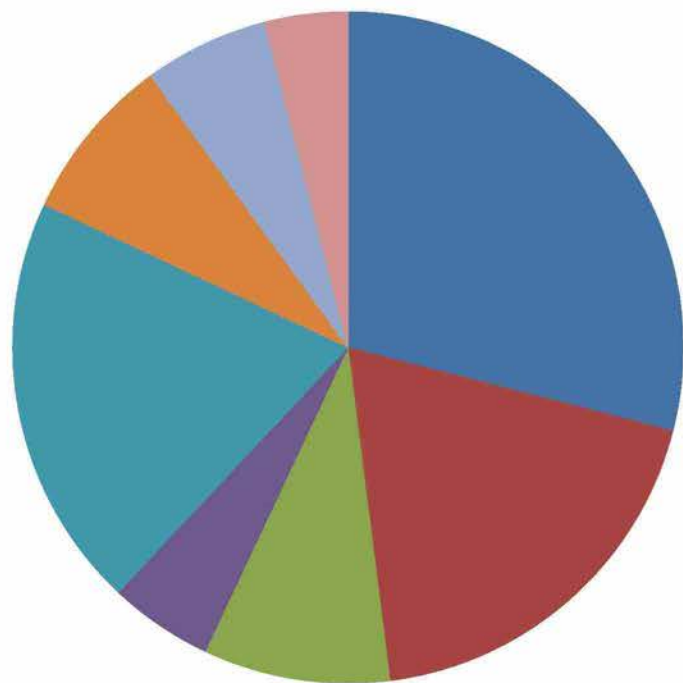
N. H. COIT,  
President  
April 10, 1945

re-

"Industry has discovered the South. Investors are interested in its possibilities. .... The management of your Company interprets these encouraging signs as an opportunity for aggressive leadership in the ~~post war~~ development of the territory served."

# Electric Industrials

Industrial Sales - 1st Quarter 2014



Chemicals	Metals
Rubber & Plastics	Textiles
Paper	Other
Stone, Clay, & Glass	Lumber

## ■ ATTRACTION OF SC:

- Favorable business environment
- Location
- Accessibility to transportation/ports
- Reliable, affordable, clean energy
- State clearly committed to energy expansion

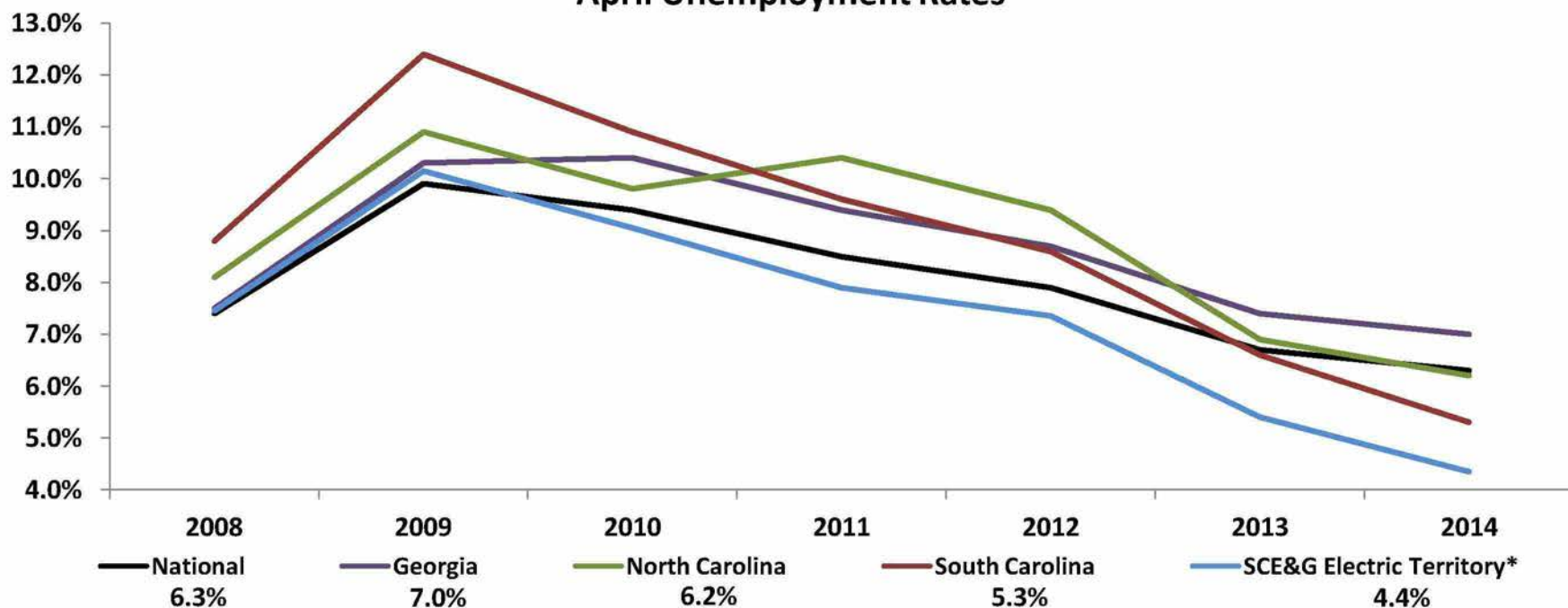


Courtesy of SC Biz News/ Leslie Burden

# Economic Trends

- Economic Announcements: 2012 - 2014:
  - SC Territory:
    - Approximately \$2.2 billion investment
    - Approximately 8,500 projected jobs
  - NC Territory:
    - Approximately \$2.0 billion investment
    - Approximately 10,793 projected jobs

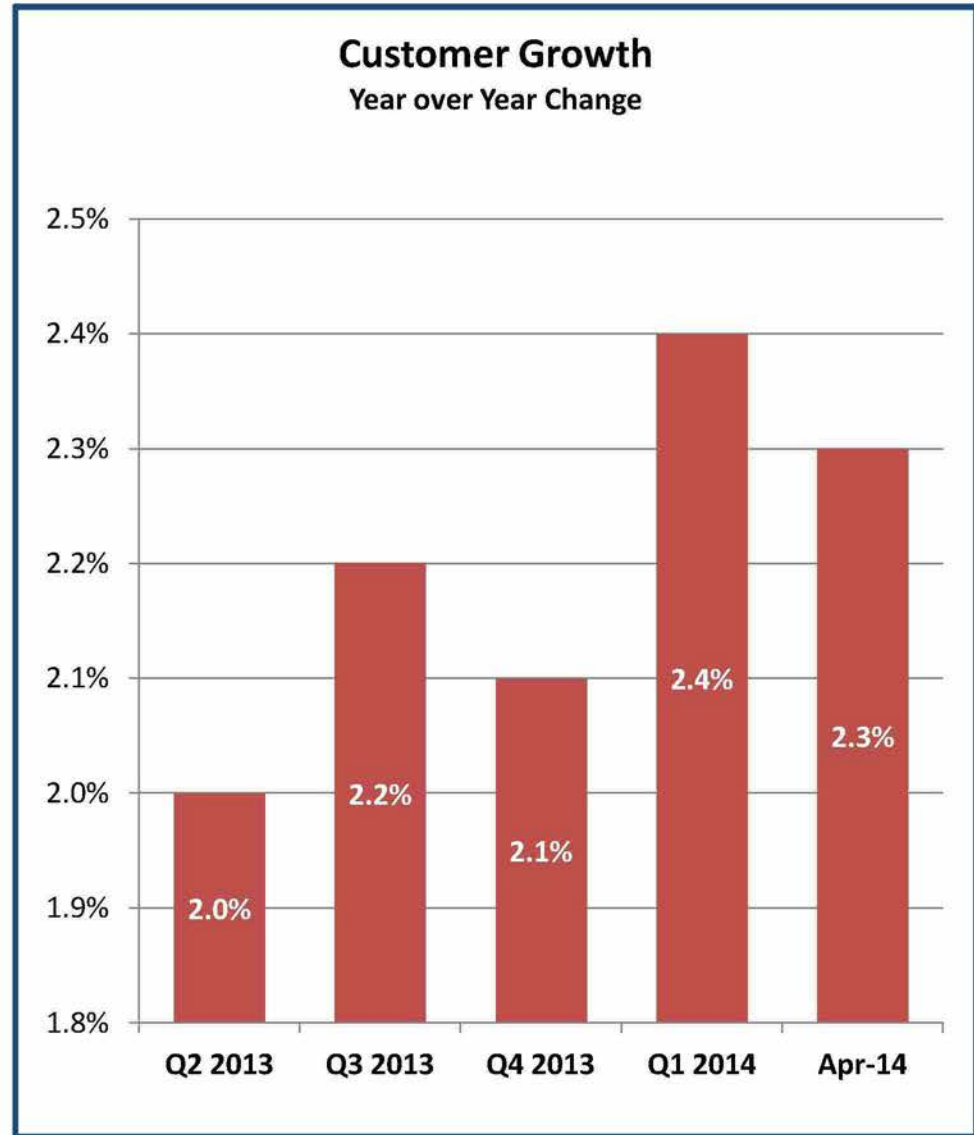
**April Unemployment Rates**



\* Data for Charleston and Columbia metropolitan areas only; not seasonally adjusted

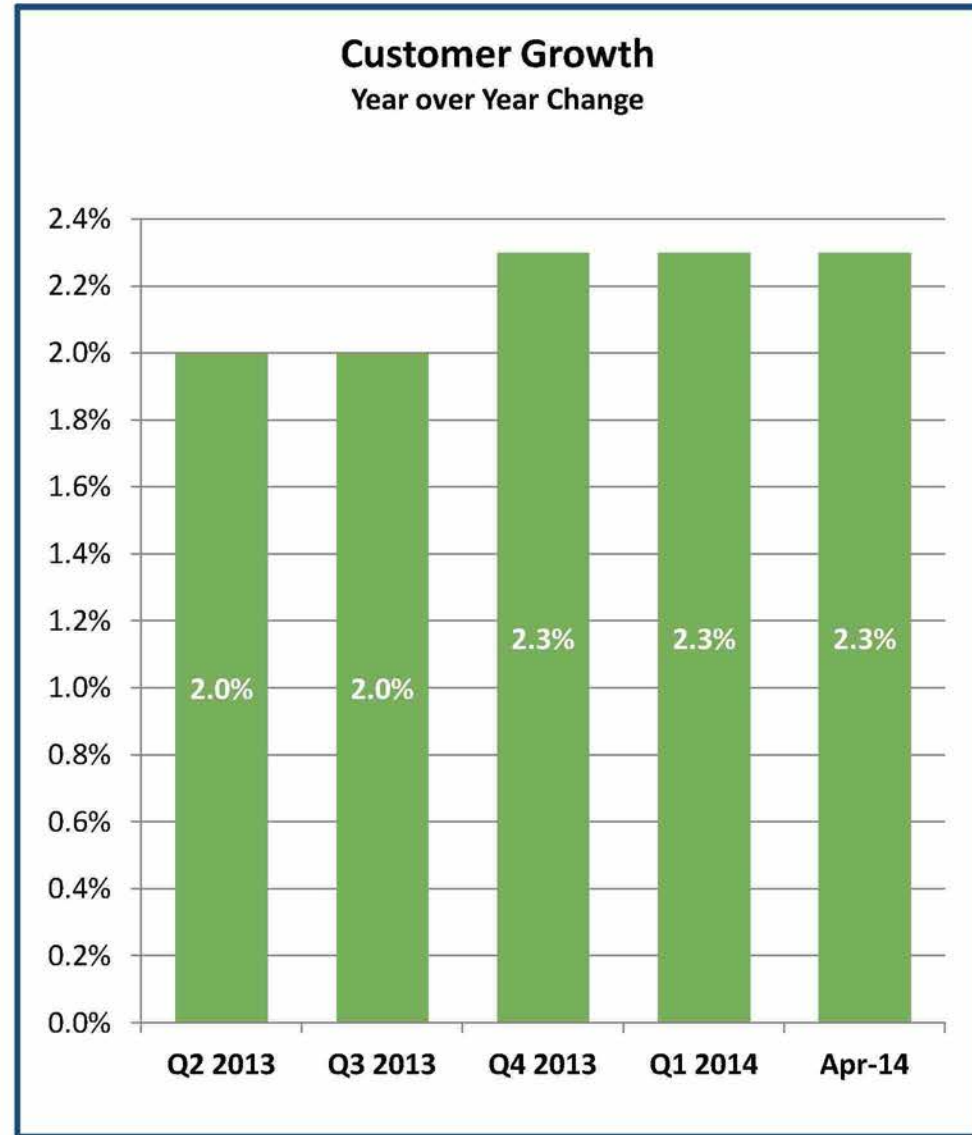


- Approximately 332,000 customers
- Customer growth has returned to pre-2007 levels
- Weather Normalization Adjustment
- Annual Rate Stabilization Act (RSA) filing
- Project a small RSA decrease for 2014
  - Customer growth
  - Expense control



# PSNC Energy

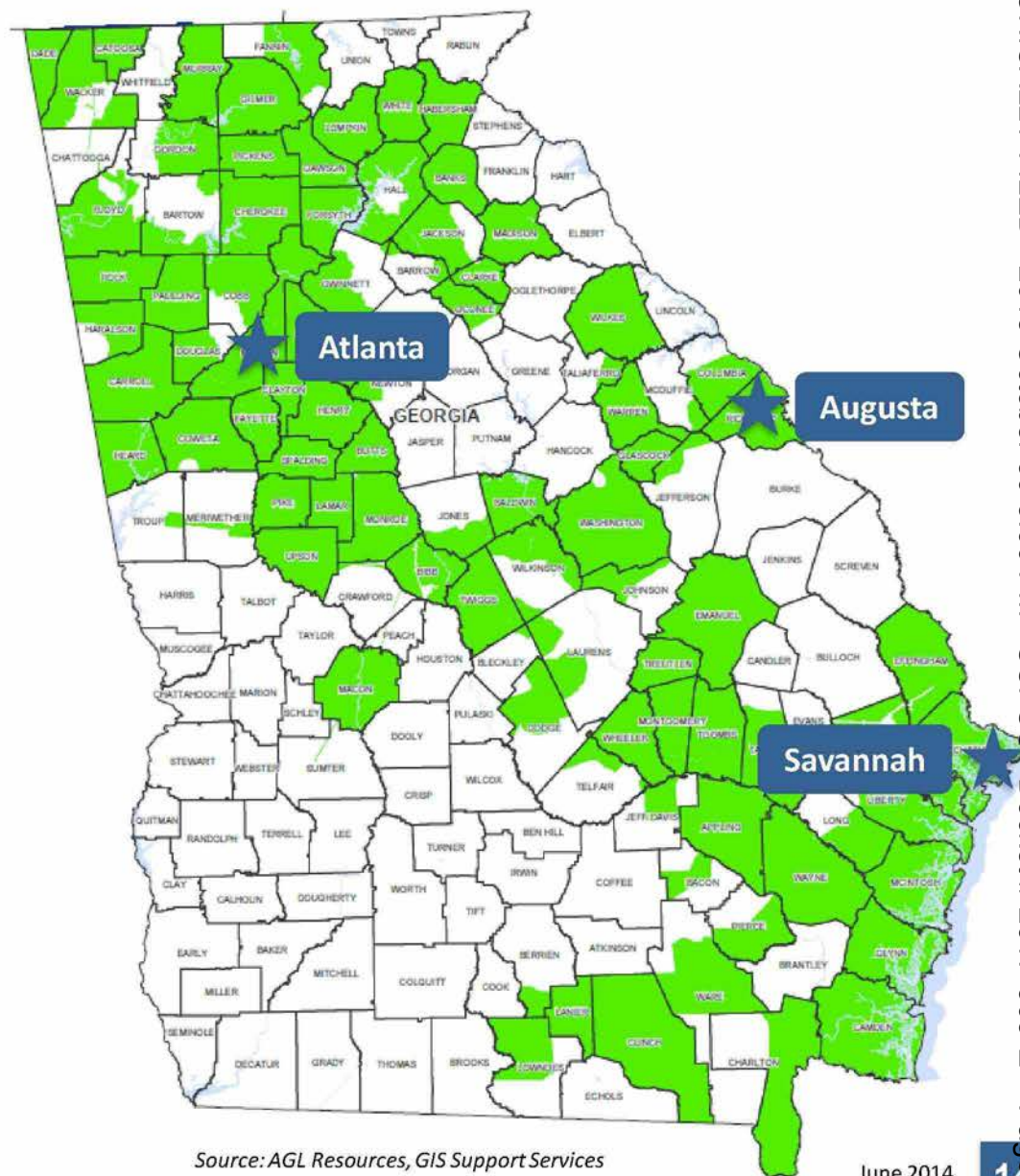
- Approximately 512,000 customers
- Customer Usage Tracker (CUT)
  - Decoupler
  - Semi-annual rate adjustment
- PSNC Energy has seven consecutive quarters of 2% or greater customer growth
- Investing in capex to support customer growth



# SCANA Energy - Georgia

- Approximately 460,000 customers:
  - 390,000 Deregulated
  - 70,000 Regulated
- Approximately 30% of the 1.5 million customers in Georgia's deregulated natural gas market

 Deregulated Service Area

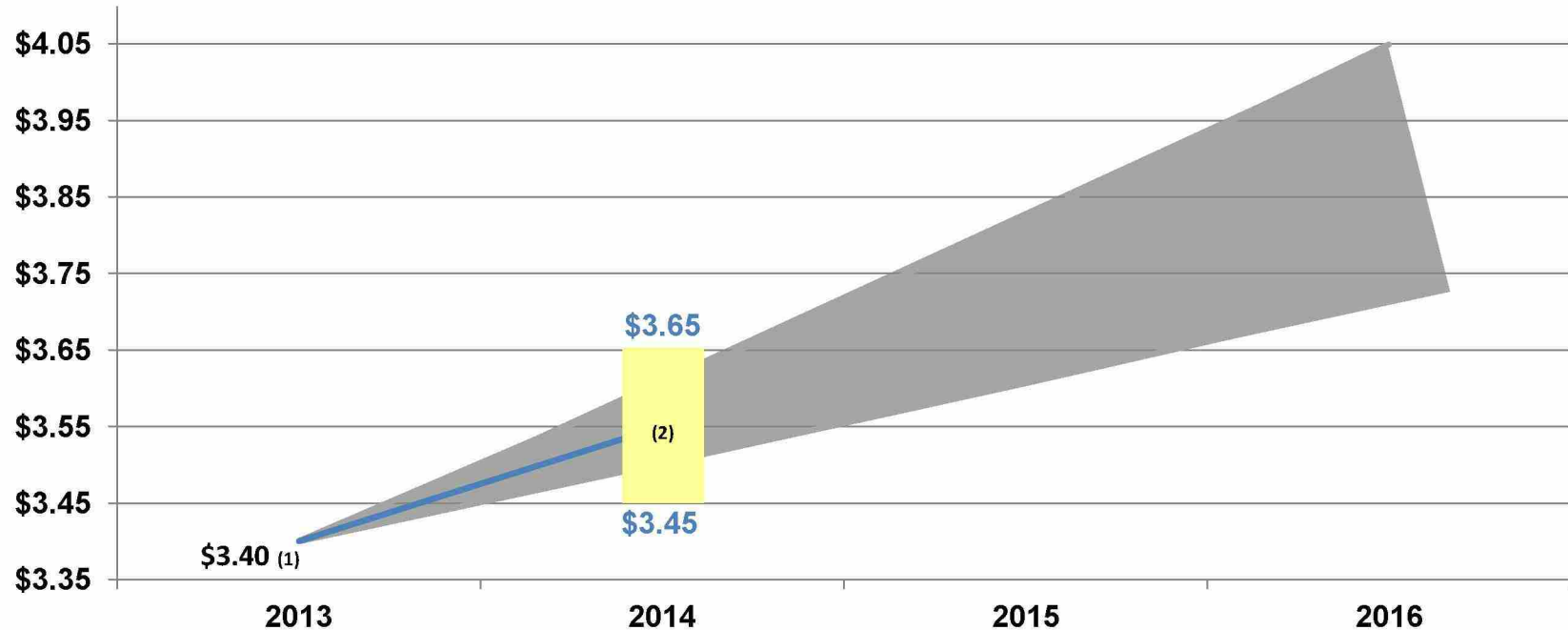


Source: AGL Resources, GIS Support Services

June 2014

# Earnings Guidance

Growth of 3% - 6% over 3 to 5 years



(1): 2013 GAAP Basic EPS

(2): 2014 EPS Guidance, Internal target \$3.55



# Dividend Growth

**DIVIDEND POLICY:** To increase the annual cash dividend at a rate that reflects the earnings growth in the Company's businesses, while maintaining a payout ratio of 55-60%

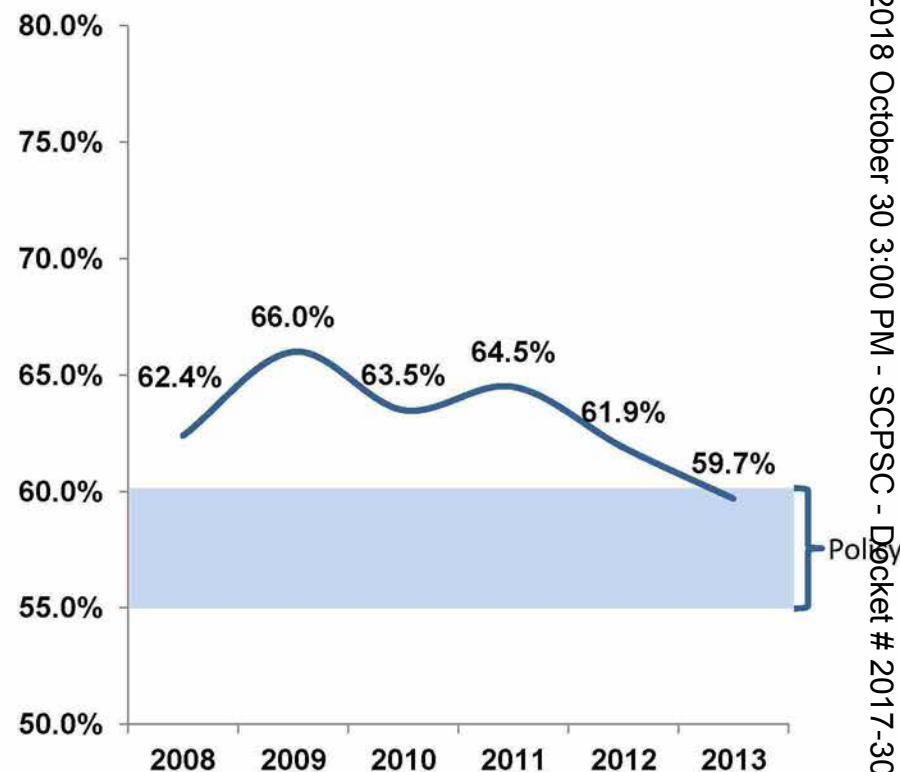
- Paid dividend for 249 consecutive quarters
- Increased dividend in 59 out of the last 63 years

**Common Dividends**



\* 2014 indicated rate

**Payout Ratio**



Policy

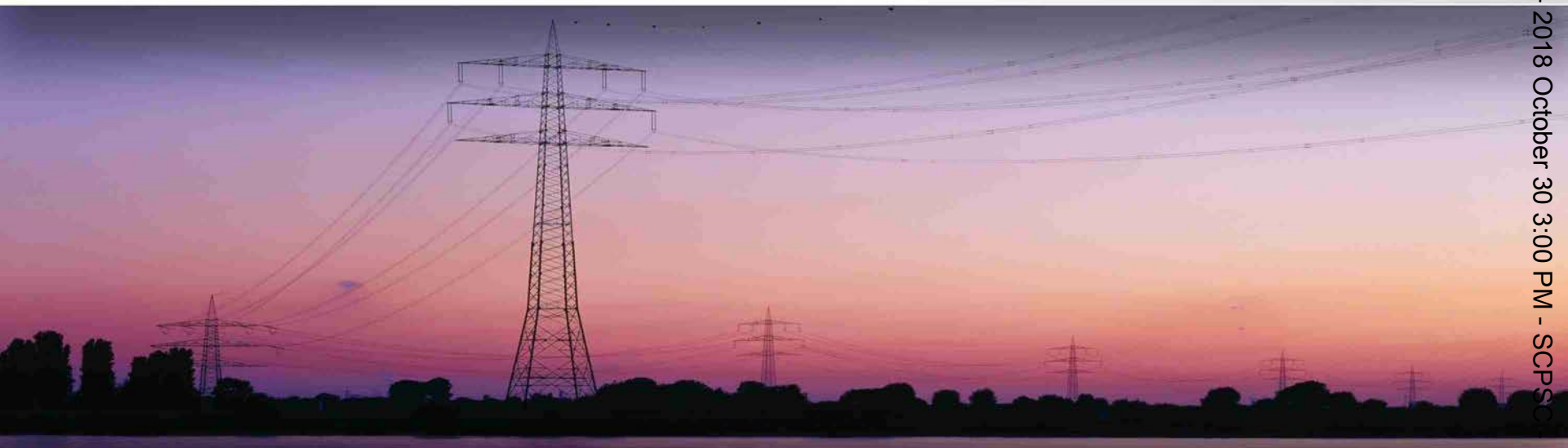
"We are now back within our stated payout policy of 55%-60% and expect to grow dividends fairly consistent with earnings growth prospectively."







## Analyst Day 2014



# Questions?